



Agenda

EXECUTIVE COMMITTEE

THURSDAY, May 2, 2024

5:30 p.m.

Conference Room
126 Sun Street
Salinas, California 93901

Public Participation available via Zoom
Meeting ID No. 893 1684 7681 | Passcode: 667444

CALL TO ORDER

ROLL CALL

President	Anthony Rocha (City of Salinas)
Vice President	Liz Silva (City of Gonzales)
Alternate Vice President	Glenn Church (County of Monterey)

GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS

GENERAL LEGAL COUNCIL

COMMITTEE MEMBER COMMENTS

PUBLIC COMMENTS

Receive public communications from audience on items which are not on the agenda. Speakers are limited to three minutes at the discretion of the Chair.

CONSIDERATION ITEMS

1. [Minutes of April 4, 2024 Meeting](#)
 - A. Committee Discussion
 - B. Public Comment
 - C. Recommended Committee Action – Approval
2. [March 2024 Claims and Financial Reports](#)
 - A. Receive report from Ray Hendricks, Finance and Administration Manager
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Forward to the Board and Recommend Approval
3. [A Resolution Establishing the Investment Policy](#)
 - A. Receive report from Ray Hendricks, Finance and Administration Manager
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Provide Input and Forward to the Board Recommending Approval
4. [A Resolution Adopting the Revised Financial Policies](#)
 - A. Receive report from Ray Hendricks, Finance and Administration Manager
 - B. Committee Discussion
 - C. Public Comment
 - D. Recommended Committee Action – Provide Input and Forward to the Board Recommending Approval

FUTURE AGENDA ITEMS

5. [Future Agenda Items – View Ahead Calendar](#)

CLOSED SESSION

Receive public comment from audience before entering into closed session:

- 6. Pursuant to **Government Code Section 54956.8** to confer with legal counsel and real property negotiators General Manager/CAO Patrick Mathews, Asst. GM/Ops Manager Cesar Zuñiga, Finance and Administration Manager Ray Hendricks, and General Counsel Roy C. Santos, concerning the possible terms and conditions of acquisition, lease, exchange or sale of **1)** Salinas Valley Solid Waste Authority Property, APNs 003-051-086 and 003-051-087, located at 135-139 Sun Street, Salinas, CA.

RECONVENE

ADJOURNMENT

Meeting Information

To **observe** the meeting, go to our YouTube channel at <https://www.youtube.com/user/svswa831>.

To **participate virtually** during the meeting and make a general comment or comments on a specific agenda item as an item is being heard, join the meeting through Zoom using the link below. Join with computer audio at:

<https://us02web.zoom.us/j/89316847681?pwd=RWg4aEROTGhNN0VsTWFMU09iZkFkdz09>. When ready to make a public comment, click the Raise Hand icon.

To **participate by telephone** dial any of the numbers listed below and enter the meeting ID number and passcode:

+1 669 900 9128	+1 253 215 8782	+1 346 248 7799
+1 301 715 8592	+ 1 312 626 6799	+ 1 646 558 8656
Enter Meeting ID: 893 1684 7681#		Passcode: 667444
To Raise your Hand press *9		To Mute and Unmute yourself press *6

Public comments may also be submitted via e-mail to the Clerk of the Board at comment@svswa.org. Comments must be received by 2 p.m. on Thursday, May 2, 2024 and should be limited to 250 words or less. Every effort will be made to read your comment into the record, but some comments may not be read due to time limitations. Comments received via e-mail after 2 p.m. will be made part of the record if received prior to the end of the meeting. To assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line the item number (i.e., Item No. 10).

This meeting agenda was posted at the Salinas Valley Solid Waste Authority office at 126 Sun Street, Salinas, on **Thursday, April 25, 2024**. The Executive Committee will next meet in regular session on **Thursday, June 6, 2024, at 5:30 p.m.** Staff reports for the Authority Executive Committee meetings are available for review at 126 Sun Street, Salinas, California 93901, Phone 831-775-3000 and at www.salinasvalleyrecycles.org.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact Erika J. Trujillo, Clerk of the Board, at 831-775-3000. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting (28 CFR Executive Committee to provide direction 35.102-35.104 ADA Title II).

MINUTES OF MEETING
SALINAS VALLEY SOLID WASTE AUTHORITY
EXECUTIVE COMMITTEE
April 4, 2024
 126 Sun Street, Salinas, CA 93901

CALL TO ORDER

President Rocha called the meeting to order at 5:34 p.m.

COMMITTEE MEMBERS PRESENT

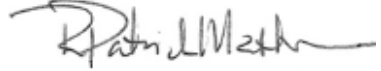
City of Salinas	Anthony Rocha, <i>President</i>
City of Soledad	Vacant
County of Monterey	Glenn Church, <i>Alt. Vice President</i>

STAFF MEMBERS PRESENT

Patrick Mathews, General Manager/CAO
Cesar Zuñiga, Assistant GM / Operations Manager
Ray Hendricks, Finance and Administration Manager (<i>virtually</i>)
Brian Kennedy, Engineering and Compliance Manager
Roy C. Santos, General Counsel (<i>virtually</i>)
Rosie Ramirez, Administrative Assistant
Erika J. Trujillo, Clerk of the Board

ITEM NO. 1

Agenda Item



General Manager/CAO

R. Santos by E.T.

Authority General Counsel

GENERAL MANAGER AND DEPARTMENT MANAGER COMMENTS

(5:34) General Manager/CAO extended the invitation to the Committee and the public to attend the Grand Opening Celebration of the Education Center with the Youth Council's Sustainability Fair on April 6, 2024.

GENERAL COUNSEL COMMENTS

(5:34) None

COMMITTEE COMMENTS

(5:35) None

PUBLIC COMMENT

(5:36) None

CONSIDERATION ITEMS

(5:37)

1. Minutes of February 1, 2024 Meeting

Committee Discussion:

Public Comment: None

Committee Action: Alternate Vice President Church made a motion to approve the minutes with the correction. President Rocha seconded the motion.

Votes: Motion carried 2,0

Ayes: Church, Rocha

Noes: None

Abstain: None

Absent: None

2. February 2024 Claims and Financial Reports

(5:38) Finance and Administration Manager Hendricks provided a report on the Agency's finances, indicating that tonnage and revenues are slightly up compared to last year. He stated expenditures are mostly aligned with the projected budget except for a few items that will be addressed in the next item on the agenda.

Committee Discussion: The committee discussed the presentation.

Public Comment: None

Committee Action: Alternate Vice President Church made a motion to forward to the Board recommending approval. President Rocha seconded the motion. The motion passed unanimously: 2-0.

3. A Resolution Approving an Adjustment to the Operating Budget for Fiscal Year 2023-24

(5:40) Finance and Administration Manager Hendricks reviewed in detail the adjustment needed to the budget for Fiscal Year 2023-24. He indicated the adjustments are due to sustained high prices of fuel, and unexpected repairs and maintenance needed.

Committee Discussion: None

Public Comment: None

Committee Action: Alternate Vice President Church made a motion to forward to the Board recommending approval. President Rocha seconded the motion. The motion passed unanimously: 2-0.

4. A Resolution Approving a Supplemental Appropriation of \$722,025 for CalRecycle's SB 1383 Local Assistance Grant Program 2022-23, Cycle OWR4

(5:43) Finance and Administration Manager Hendricks explained the award of the grant funds and the intent for the expenditure of the funds.

Committee Discussion: The Committee discussed the presentation.

Public Comment: None

Committee Action: Alternate Vice President Church made a motion to forward to the Board recommending approval. President Rocha seconded the motion. The motion passed unanimously: 2-0.

5. Joint Landfill Gas/Bioenergy Project

(5:45) General Manager/CAO Mathews introduced and explained the Heavenly Valley Ranch Renewable Energy Project. He indicated that the project is a collaboration between the TAP Agricultural Partners, LLC, Ameresco, Inc., Taylor Fresh Foods, Inc., Machado & Sons Construction, and the Authority. He explained the Authority's role and responsibilities as lead agency for Phase One of the project. Mr. Mathews introduced Tim Israel with Ameresco, Sean Kilgrow with Machado and Sons, Randy Pura with TAP Agricultural Partners, LLC, whom each detailed their role in the project. Mr. Mathews explained the steps needed to move forwards.

Committee Discussion: The Committee discussed the presentation expressing their support for the project.

Public Comment: None

Committee Action: Alternate Vice President Church made a motion to forward to the Board for input and direction. President Rocha seconded the motion. The motion passed unanimously: 2-0.

6. Board of Directors Officer Vacancy Discussion

(6:37) General Manager/CAO Mathews reported that the South County city representative and Board Vice President Ben Jimenez had announced his resignation from the Soledad City Council

effective March 29, 2024. The 2024 Nominating Committee members were informed of the vacancy and began the process of reengaging with South County representatives. Mr. Mathews indicated the Nominating Committee has a recommendation ready to be presented to the Board of Directors at its April 18, 2024 meeting.

Committee Discussion: The Committee discussed the report.

Public Comment: None

Committee Action: None; Information only

FUTURE AGENDA ITEMS

7. Future Agenda Items – View Ahead Calendar

(6:38) The Committee discussed the view ahead.

CLOSED SESSION

(6:40) President Rocha invited public comment on closed session item.

8. Pursuant to **Government Code Section 54957 (b)** to discuss the Performance Evaluation of the General Council Roy C. Santos.

PUBLIC COMMENT

(6:40) None

(6:41) President Rocha adjourned the meeting into closed session to discuss item number eight.

RECONVENE

(7:06) President Rocha reconvened the meeting to open session with no reportable actions taken in closed session.

ADJOURNMENT

(7:07) President Rocha adjourned the meeting.

APPROVED: _____
Anthony Rocha, President

ATTEST: _____
Erika J. Trujillo, Clerk of the Board



Report to the Executive Committee

ITEM NO. 2

Finance and Administration
Manager/Controller/Treasurer

General Manager/CAO

N/A

General Counsel

Date: May 2, 2024
From: C. Ray Hendricks, Finance and Administration Manager
Title: March 2024 Claims and Financial Reports

RECOMMENDATIONS

Staff requests that the Executive Committee recommend acceptance of the March 2024 Claims and Financial Reports.

DISCUSSION & ANALYSIS

Please refer to the attached financial reports and checks issued report for the month of March for a summary of the Authority's financial position as of March 31, 2024. The following are highlights of the Authority's financial activity for the month of March.

Results of Operations (Consolidated Statement of Revenues and Expenditures)

For the month of March 2024, operating revenues exceeded expenditures by \$751,289.

Revenues (Consolidated Statement of Revenues and Expenditures)

	March Budget	March Actual	Over/(Under)	
Tipping Fees - Solid Waste	1,066,398	1,144,008	77,610	7.3%
Tipping Fees - Diverted Materials	275,231	369,482	94,251	34.2%
Other Revenues	585,547	597,283	11,736	2.0%
Total Revenue	1,927,176	2,110,773	183,597	9.5%

Solid Waste revenues for March were \$77,610 or 7.3% over budgeted amounts. Diverted Material revenues for March were \$94,251 or 34.2% over budgeted amounts. March total revenue was \$183,597 or 9.5% over budgeted amounts.

	Y-T-D Budget	Y-T-D Actual	Over/(Under)	
Tipping Fees - Solid Waste	9,973,766	11,151,999	1,178,233	11.8%
Tipping Fees - Diverted Materials	2,322,184	2,747,895	425,711	18.3%
Other Revenues	5,629,272	6,299,458	670,186	11.9%
Total Revenue	17,925,222	20,199,352	2,274,130	12.7%

Solid Waste revenues year to date as of March were \$1,178,233 or 11.8% over budgeted amounts. Diverted Material revenues year to date as of March were \$425,711 or 18.3% over budgeted amounts. Year to date total revenue as of March was \$2,274,130 or 12.7% over budgeted amounts.

Operating Expenditures (Consolidated Statement of Revenues and Expenditures)

As of March 31, 2024 (75.0% of the fiscal year), year-to-date operating expenditures totaled \$17,338,793. This is 75.9% of the operating budget of \$22,840,000.

Capital Project Expenditures (Consolidated Grant and CIP Expenditures Report)

For the month of March 2024, capital project expenditures totaled \$1,021,375. \$661,000 was for Equipment Replacement. \$189,000 was for the CH Postclosure Maintenance. \$115,871 was for SB1383 Local Assistance Grant Program. \$17,209 was for JR Transfer Station Improvements. \$14,553 was for LR Postclosure Maintenance. \$12,041 was for Administrative Office Improvements.

Claims Checks Issued Report

The Authority's Checks Issued Report for the month of March 2024 is attached for review and acceptance. March disbursements totaled \$2,310,056.96, of which \$624,971.50 was paid from the payroll checking account for payroll and payroll related benefits.

The following is a list of vendors paid more than \$50,000 during the month of March 2024.

Vendor	Services	Amount
Jack G. Bentley	2020 836K Compactor	\$425,000.00
Wilson Equipment, LLC.	2017 CAT D6N XL	\$236,000.00
Atlas Organics CU11, LLC.	Monthly Organics Processing	\$157,581.81
Recon Refractory & Construction, Inc.	CH LFG Maintenance Supplies	\$117,914.00
Zero Foodprint	RR Collections Programs	\$108,420.00
Southern Counties Lubricants, LLC.	All Sites Equipment & Vehicle Fuel	\$74,729.27

Cash Balances

The Authority's cash position decreased by \$201,808.97 during March to \$35,406,471.01. Most of the cash balance is restricted, held in trust, committed, or assigned as shown below. Cash for Capital Improvements and post closure funded from operations is transferred at the beginning of the year. Additionally, cash for debt service principal payments is transferred in July. While these transfers and payments leave the balance available for operations with a negative balance, profitable operations should improve the balance to a positive amount by the end of the fiscal year.

Restricted by Legal Agreements:

Johnson Canyon Closure Fund	5,122,191.83
Restricted for Pension Liabilities (115 Trust)	-
State & Federal Grants	(18,022.14)
BNY - Bond 2022A Payment	-

Funds Held in Trust:

Central Coast Media Recycling Coalition	97,642.13
Employee Unreimbursed Medical Claims	4,030.15

Committed by Board Policy:

AB939 Services	(407,050.37)
Undesignated Fund Balance	-
Designated for Capital Projects Reserve	4,093,074.71
Designated for Environmental Impairment Reserve	2,678,486.88
Designated for Operating Reserve	3,264,000.00
Expansion Fund (South Valley Revenues)	4,957,231.65

Assigned for Post Closure and Capital Improvements

Crazy Horse Post Closure	788,272.06
Lewis Road Post Closure	232,566.66
Jolon Road Post Closure	113,106.61
Johnson Canyon Post Closure	2,683,233.46
Capital Improvement Projects	11,398,374.20

Available for Operations: 399,333.18

Total	<u>35,406,471.01</u>
-------	----------------------

ATTACHMENTS

1. March 2024 Consolidated Statement of Revenues and Expenditures
2. March 2024 Consolidated Grant and CIP Expenditures Report
3. March 2024 Checks Issued Report

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Revenue Summary</u>							
Tipping Fees - Solid Waste	13,532,700	1,144,008	11,151,999	82.4 %	2,380,701	0	2,380,701
Tipping Fees - Diverted Materials	3,232,600	369,482	2,747,895	85.0 %	484,705	0	484,705
AB939 Service Fee	4,103,000	341,918	3,077,262	75.0 %	1,025,738	0	1,025,738
Charges for Services	2,668,000	220,883	2,085,202	78.2 %	582,798	0	582,798
Sales of Materials	245,000	7,981	119,082	48.6 %	125,918	0	125,918
Gas Royalties	290,000	0	129,539	44.7 %	160,461	0	160,461
Investment Earnings	500,000	26,501	888,373	177.7 %	(388,373)	0	(388,373)
Total Revenue	24,571,300	2,110,773	20,199,352	82.2 %	4,371,948	0	4,371,948
<u>Expense Summary</u>							
Executive Administration	568,000	36,119	403,030	71.0 %	164,970	32	164,939
Administrative Support	584,300	43,968	349,063	59.7 %	235,237	18,558	216,678
Human Resources Administration	296,100	16,159	210,919	71.2 %	85,181	2,904	82,277
Clerk of the Board	252,000	13,670	180,135	71.5 %	71,865	32	71,834
Finance Administration	1,010,100	58,066	708,439	70.1 %	301,661	818	300,843
Operations Administration	773,900	47,930	584,315	75.5 %	189,585	2,211	187,375
Resource Recovery	1,551,350	93,185	1,084,478	69.9 %	466,872	96	466,776
Marketing	75,600	7,944	39,683	52.5 %	35,917	29,805	6,112
Public Education	222,950	4,435	166,645	74.7 %	56,305	38,605	17,700
Household Hazardous Waste	860,700	67,727	535,007	62.2 %	325,693	10,375	315,319
C & D Diversion	208,300	35,595	128,003	61.5 %	80,297	17,726	62,572
Organics Diversion	2,225,700	178,577	1,452,966	65.3 %	772,734	632,089	140,645
Diversion Services	40,000	2,365	24,387	61.0 %	15,613	0	15,613
JR Transfer Station	774,400	88,386	614,105	79.3 %	160,295	2,593	157,702
JR Recycling Operations	207,200	14,050	151,319	73.0 %	55,881	0	55,881
ML Transportation Operations	2,287,600	137,160	1,773,048	77.5 %	514,552	46,700	467,853

Salinas Valley Solid Waste Authority
Consolidated Statement of Revenues and Expenditure
For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
ML Recycling Operations	699,900	55,568	551,104	78.7 %	148,796	33,799	114,997
JC Landfill Operations	4,330,500	278,363	3,236,452	74.7 %	1,094,048	327,315	766,732
JC Recycling Operations	755,900	36,953	475,739	62.9 %	280,161	37,110	243,050
Johnson Canyon ECS	430,800	23,218	264,378	61.4 %	166,422	59,929	106,493
Sun Street ECS	192,100	4,358	169,993	88.5 %	22,107	0	22,107
Debt Service - Interest	413,200	0	413,116	100.0 %	84	0	84
Debt Service - Principal	2,700,000	0	2,700,000	100.0 %	0	0	0
Closure/Post Closure Set-Aside	334,400	28,046	272,114	81.4 %	62,286	0	62,286
Cell Construction Set-Aside	1,045,000	87,643	850,356	81.4 %	194,644	0	194,644
Total Expense	22,840,000	1,359,484	17,338,793	75.9 %	5,501,207	1,260,695	4,240,512
Revenue Over/(Under) Expenses	1,731,300	751,289	2,860,559	165.2 %	(1,129,259)	(1,260,695)	131,436

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
<u>Fund 131 - Crazy Horse Post-Closure Fund</u>							
131 9316 CH Corrective Action Program	253,000	0	83	0.0 %	252,917	0	252,917
131 9319 CH LFG System Improvements	146,500	0	0	0.0 %	146,500	0	146,500
131 9321 CH Postclosure Maintenance	1,002,074	189,000	614,207	61.3 %	387,867	59,696	328,171
Total Fund 131 - Crazy Horse Post-Closure	1,401,574	189,000	614,290	43.8 %	787,284	59,696	727,588
<u>Fund 141 - Lewis Road Post-Closure Fund</u>							
141 9402 LR LFG Well Replacement	80,000	0	0	0.0 %	80,000	0	80,000
141 9403 LR Postclosure Maintenance	369,216	14,553	216,721	58.7 %	152,496	30,940	121,555
Total Fund 141 - Lewis Road Post-Closure F	449,216	14,553	216,721	48.2 %	232,496	30,940	201,555
<u>Fund 161 - Jolon Road Post-Closure Fund</u>							
161 9604 JR Postclosure Maintenance	377,758	1,318	264,652	70.1 %	113,107	6,726	106,381
Total Fund 161 - Jolon Road Post-Closure F	377,758	1,318	264,652	70.1 %	113,107	6,726	106,381
<u>Fund 211 - Grants</u>							
211 9217 Micro Grants for Mattress Collectio	20,000	0	0	0.0 %	20,000	0	20,000
211 9228 Tire Amnesty 2021-22	1,551	0	1,551	100.0 %	0	0	0
211 9230 SB1383 Local Assistance Grant Pr	231,635	115,871	217,429	93.9 %	14,206	2,855	11,351
211 9231 Tire Amnesty 2023-24	83,995	0	0	0.0 %	83,995	0	83,995
211 9261 Cal Recycle - 2021-22 CCPP	4,720	0	4,720	100.0 %	0	0	0
211 9262 CalRecycle - Household Hazardous	100,000	0	39,970	40.0 %	60,030	0	60,030
211 9263 Cal Recycle - 2022-23 CCPP	22,139	650	14,397	65.0 %	7,742	0	7,742
Total Fund 211 - Grants	464,040	116,521	278,068	59.9 %	185,973	2,855	183,118
<u>Fund 800 - Capital Improvement Projects Fu</u>							
800 9101 Equipment Replacement	3,040,685	661,000	1,415,600	46.6 %	1,625,085	810,713	814,372
800 9105 Concrete Grinding	54,614	0	0	0.0 %	54,614	0	54,614
800 9107 Scale House Software Upgrade	68,180	0	19,271	28.3 %	48,909	0	48,909
800 9109 Organics Infrastructure Upgrades	3,000,000	0	0	0.0 %	3,000,000	0	3,000,000

Salinas Valley Solid Waste Authority

Consolidated CIP Expenditure Report

For Period Ending March 31, 2024

	CURRENT BUDGET	M-T-D REV/EXP	Y-T-D REV/EXP	% OF BUDGET	REMAINING BALANCE	Y-T-D ENCUMBRANCES	UNENCUMBERED BALANCE
800 9110 Administration Office Improvements	120,000	12,041	120,000	100.0 %	0	0	0
800 9214 Organics Program 2016-17	715,898	0	0	0.0 %	715,898	0	715,898
800 9223 Outdoor Education Center	13,145	0	12,710	96.7 %	435	0	435
800 9322 North County Transfer Station	150,000	0	0	0.0 %	150,000	148,702	1,298
800 9501 JC LFG System Improvements	422,977	4,882	256,493	60.6 %	166,484	51,254	115,230
800 9505 JC Partial Closure	206,335	4,774	23,316	11.3 %	183,019	226	182,793
800 9506 JC Litter Control Barrier	104,625	0	0	0.0 %	104,625	0	104,625
800 9507 JC Corrective Action	250,070	0	2,078	0.8 %	247,992	0	247,992
800 9509 JC Groundwater Well	400,000	0	400,000	100.0 %	0	0	0
800 9521 JC Entrance Facility	200,000	0	0	0.0 %	200,000	0	200,000
800 9527 JC Module Engineering and Constr	3,130,188	77	67,738	2.2 %	3,062,450	0	3,062,450
800 9528 Roadway Improvements	500,049	0	0	0.0 %	500,049	74,960	425,089
800 9601 JR Transfer Station Improvements	782,611	17,209	554,451	70.8 %	228,159	1,086	227,073
800 9603 JR Well Replacement	250,000	0	0	0.0 %	250,000	116,251	133,749
Total Fund 800 - Capital Improvement Proje	13,409,376	699,983	2,871,658	21.4 %	10,537,718	1,203,192	9,334,527
Total CIP Expenditures	16,101,965	1,021,375	4,245,388	26.4 %	11,856,577	1,303,409	10,553,169

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33159	AMERICAN SUPPLY CO. Adm. bldg. Janitorial Supplies	3/7/2024	285.53	285.53
33160	ASBURY ENVIRONMENTAL SERVICES HHW Hauling & Disposal	3/7/2024	200.00	200.00
33161	BANK OF NEW YORK Finance Adm Bank Fee	3/7/2024	2,000.00	2,000.00
33162	BRIAN KENNEDY LR Maintenance Supplies Conference Travel USCC Annual Conference	3/7/2024	77.56 72.53	150.09
33163	BRYAN EQUIPMENT JC Equipment Maintenance	3/7/2024	133.55	133.55
33164	CDW GOVERNMENT Admin. Software	3/7/2024	326.27	326.27
33165	CESAR ZUÑIGA Adm Bldg. Remodeling	3/7/2024	1,308.68	1,308.68
33166	CLARK PEST CONTROL, INC ML Exterminator Services	3/7/2024	115.00	115.00
33167	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	3/7/2024	370.13	370.13
33168	DOUGLAS NOLAN School Assembly Program	3/7/2024	2,750.00	2,750.00
33169	Elevator Service Co. of Central California Inc. Common Area Maintenance	3/7/2024	255.00	255.00
33170	ERIC AMARAL Boot Reimbursement	3/7/2024	227.58	227.58
33171	ERIC GARCIA JR Vehicle Maintenance ML Vehicle Maintenance	3/7/2024	170.00 1,190.00	1,360.00
33172	ERNEST BELL D. JR All Sites Janitorial Services	3/7/2024	4,340.00	4,340.00
33173	FEDEX Ops Adm Overnight Shipments	3/7/2024	469.38	469.38
33174	FIRST ALARM Alarm Services	3/7/2024	70.00	70.00
33175	FRESNO OXYGEN JC Equipment Maintenance Supplies	3/7/2024	101.98	101.98

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33176	GOLDEN STATE TRUCK & TRAILER REPAIR JC Facility Maintenance ML Vehicle Maintenance	3/7/2024	227.02 2,459.06	2,686.08
33177	GONZALES ACE HARDWARE JC Equipment Maintenance Supplies JC Facility Maintenance Supplies	3/7/2024	6.37 101.18	107.55
33178	GONZALES TIRE & AUTO SUPPLY All Sites Facility Maintenance Supplies	3/7/2024	836.78	836.78
33179	**Void**	3/7/2024	-	-
33180	GREEN RUBBER - KENNEDY AG, LP JR Facility Maintenance Supplies	3/7/2024	428.58	428.58
33181	GREEN VALLEY INDUSTRIAL SUPPLY, INC CH Facility Maintenance Supplies	3/7/2024	374.81	374.81
33182	GRIFFIN CARPET, INC. Adm Flooring Supplies	3/7/2024	650.00	650.00
33183	JT HOSE & FITTINGS JC Facility Maintenance Supplies ML Vehicle Maintenance Supplies	3/7/2024	94.84 84.79	179.63
33184	KING CITY HARDWARE INC. JR Facility Maintenance Supplies	3/7/2024	73.90	73.90
33185	LANDSCAPE MAINTENANCE OF AMERICA RR Litter Abatement	3/7/2024	325.00	325.00
33186	MANDY BROOKS RR Meetings Supplies	3/7/2024	93.16	93.16
33187	MISSION LINEN SUPPLY All Sites Uniforms	3/7/2024	522.49	522.49
33188	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY SS Monthly Sewer Service	3/7/2024	35.58	35.58
33189	Muzzi Family Farms Refund Credit Balance	3/7/2024	4,443.34	4,443.34
33190	NEU-SCAPES, INC. Common Area Maintenance Jardin El Sol Maintenance	3/7/2024	550.00 200.00	750.00
33191	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/7/2024	289.83	289.83

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33192	PACE ANALYTICAL SERVICES, LLC CH Lab Analysis	3/7/2024	10,393.65	10,393.65
33193	PITNEY BOWES GLOBAL Adm Postage	3/7/2024	424.29	424.29
33194	PRECISION ALARMS & AUTOMATION SOLUTIONS, INC. HHW Alarm Services	3/7/2024	60.00	60.00
33195	PROBUILD COMPANY LLC SS Remodeling	3/7/2024	1,121.97	1,121.97
33196	QUINN COMPANY JC Equipment Maintenance	3/7/2024	1,015.63	1,015.63
33197	Revenue Now Inc. JC Equipment Maintenance	3/7/2024	41.85	41.85
33198	SAUL CARDENAS-IBARRA SVR Reels Production	3/7/2024	600.00	600.00
33199	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	3/7/2024	334.00	334.00
33200	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/7/2024	30,822.26	30,822.26
33201	STERICYCLE, INC Adm Shredding Services	3/7/2024	123.76	123.76
33202	TELCO BUSINESS SOLUTIONS Common Area Maintenance	3/7/2024	245.35	245.35
33203	THE DON CHAPIN COMPANY, INC. ML Portable Toilets	3/7/2024	465.40	465.40
33204	TRI-COUNTY FIRE PROTECTION, INC. HHW Safety Supplies	3/7/2024	262.28	262.28
33205	ULINE, INC. Adm Office Supplies ML Vehicle Maintenance	3/7/2024	160.67 355.32	515.99
33206	VALERIO VARELA JR JC Equipment Maintenance ML Vehicle Maintenance	3/7/2024	2,500.00 450.00	2,950.00
33207	VALLEY FABRICATION, INC. ML Vehicle Maintenance	3/7/2024	273.12	273.12
33208	VERIZON CONNECT FLEET USA LLC ML Vehicle & Equipment Maintenance	3/7/2024	367.95	367.95

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33209	VOSTI'S INC JC Equipment Maintenance Supplies	3/7/2024	1,003.00	
				1,003.00
33210	US BANK CORPORATE PAYMENT SYSTEM A Tool Shed: JC Facility Maintenance Experian: Credit Reports Johnson Associates: Ops Admin Supplies AGA: Annual Membership Amazon: JRTS Improvement Supplies Amazon: RR Supplies Amazon: Admin Office Remodeling Amazon: Admin Office Remodeling Plumbers Stock: Admin Office Remodeling FedEx Office: BD Supplies Fastrak: JC Equipment Maintenance Burke's Upholstery: CH Maintenance Supplies SP Air Compressor: JC Maintenance Supplies Costco: Replacement Laptop Smart & Final: EE Appreciation Mountain Mike's: Employee Appreciation Amazon: HHW Safety Supplies Signs.com: JC Facility Maintenance Amazon: CH Maintenance Supplies Amazon: JRTS Improvement Supplies Harbor Freight: CH ECS Supplies Auto Villa: CH Maintenance Supplies Auto Villa: CH Maintenance Supplies GFOA - Publication Subscription Amazon: JC Safety Supplies Indeed: HHW Recruitment AT&T: JC Internet Services Amazon: JRTS Improvement Supplies Amazon: Ops Admin Supplies Amazon: JC Maintenance Supplies Daytona Grande: USCC Conference Amazon: CH Maintenance Supplies Pastability's: RR Training Supplies Amazon: JC Facility Maintenance SurveyMonkey: Clerk of the Board Software Constant Contact: RR Public Outreach Auto Villa: CH Maintenance Supplies Terminal A San Jose: USCC Conference Pest Solutions: All Sites Supplies Harbor Freight: JC Safety Supplies Amazon: JC Department Supplies Royal Oaks Market: LR Maintenance Supplies Matthew Bender & Co.: Finance Publications Michael's Stores: RR Office Supplies SWANA: 2024 Membership Meeting Costco: Replacement Computer Compliance Signs: Admin Office Supplies Amazon: Admin Office Remodeling A Tool Shed: JR Facility Maintenance	3/14/2024	(50.00) 49.95 196.60 105.00 193.94 (52.11) 183.50 189.60 336.87 92.31 7.00 433.21 708.40 1,113.87 45.27 152.87 51.65 429.43 82.99 214.37 338.59 69.70 869.30 199.00 196.60 285.00 273.73 495.53 65.88 53.55 447.76 161.67 172.90 123.90 99.00 246.60 22.89 72.00 (439.59) 178.70 149.77 152.96 104.97 61.25 10.00 2,336.24 170.00 121.17 145.20	

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
	Harbor Freight: CH Maintenance Supplies		84.11	
	Amazon: JRTS Improvement Supplies		147.96	
	Amazon: JRTS Improvements		4,309.99	
	Amazon: JRTS Improvements		1,146.44	
	Pest Solutions: All Sites Facility Supplies		1,465.29	
	Walmart: BD Supplies		721.44	
	Amazon: JRTS Improvement Supplies		548.13	
	Amazon: RR Department Supplies		51.01	
	Amazon: CH Maintenance Supplies		87.13	
	Microsoft: Admin Support Supplies		199.00	
	Auto Villa: CH Maintenance Supplies		218.50	
	Zoom: Online Meetings		151.16	
				20,799.15
33211	**Void**	3/14/2024	-	-
33212	**Void**	3/14/2024	-	-
33213	**Void**	3/14/2024	-	-
33214	**Void**	3/14/2024	-	-
33215	**Void**	3/14/2024	-	-
33216	**Void**	3/14/2024	-	-
33217	**Void**	3/14/2024	-	-
33218	ADMANOR, INC CCRMC Monthly Media & Marketing Service	3/14/2024	15,631.41	15,631.41
33219	ADVANCED CHEMICAL TRANSPORT, INC. HHW Hauling & Disposal	3/14/2024	16,269.74	16,269.74
33220	ATLAS ORGANICS CU11, LLC Monthly Organics Processing	3/14/2024	157,581.81	157,581.81
33221	BLUE STRIKE ENVIRONMENTAL INC LAGP EFR Capacity Planning	3/14/2024	5,874.60	5,874.60
33222	CAMILLE A. SMITH RR Retreat Facilitator	3/14/2024	2,580.40	2,580.40
33223	CARLON'S FIRE EXTINGUISHER SALES & SERVICE JC Safety Supplies	3/14/2024	718.61	718.61

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33224	CDW GOVERNMENT Adm Network Support Replacement iPad	3/14/2024	461.35 1,295.63	1,756.98
33225	DocuSign, Inc. DocuSign Annual Subscription	3/14/2024	1,685.26	1,685.26
33226	EDUARDO ARROYO Adm. Bld. Remodeling	3/14/2024	8,000.00	8,000.00
33227	F.A.S.T. SERVICES Monthly Board Interpreting Services	3/14/2024	200.00	200.00
33228	FERGUSON ENTERPRISES INC #795 Adm. Bld. Remodeling Supplies	3/14/2024	177.68	177.68
33229	GOLDEN STATE TRUCK & TRAILER REPAIR ML Vehicle Maintenance	3/14/2024	3,116.33	3,116.33
33230	GONZALES ACE HARDWARE ML Vehicle Maintenance	3/14/2024	13.90	13.90
33231	GONZALES TIRE & AUTO SUPPLY JC Equipment Maintenance	3/14/2024	49.47	49.47
33232	GREEN RUBBER - KENNEDY AG, LP LR & JR Facility Maintenance Supplies	3/14/2024	7,659.48	7,659.48
33233	Isidro Morales Perez JR Septic Tank Repairs	3/14/2024	10,200.00	10,200.00
33234	KING CITY HARDWARE INC. JR Facility Maintenance	3/14/2024	60.85	60.85
33235	L. A. HEARNE COMPANY JC Facility Maintenance	3/14/2024	952.51	952.51
33236	LANDSCAPE MAINTENANCE OF AMERICA RR Litter Abatement	3/14/2024	325.00	325.00
33237	MARK E. FETZER All Sites Hazwhoper Training	3/14/2024	1,800.00	1,800.00
33237	MARK E. FETZER All Sites Hazpower Training	3/25/2024	(1,800.00)	(1,800.00)
33238	MISSION LINEN SUPPLY All Sites Uniforms	3/14/2024	503.97	503.97
33239	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/14/2024	154.42	154.42

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33240	O'REILLY AUTOMOTIVE STORES, INC. JC Vehicle Maintenance Supplies	3/14/2024	37.52	37.52
33241	PROBUILD COMPANY LLC SS Improvements Supplies	3/14/2024	81.37	81.37
33242	QUINN COMPANY JC Equipment Maintenance	3/14/2024	886.15	886.15
33243	Recon Refractory & Construction, Inc. CH Ceramic Blanket Replacement CH Maintenance Supplies	3/14/2024	98,750.00 19,164.00	117,914.00
33244	ROSSI BROS TIRE & AUTO SERVICE ML Vehicle Maintenance Ops Vehicle Maintenance	3/14/2024	135.00 137.59	272.59
33245	S. GRONER ASSOCIATES Marketing Services	3/14/2024	7,944.45	7,944.45
33246	SALINAS PUMP CO JC Facility Maintenance	3/14/2024	7,707.33	7,707.33
33247	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/14/2024	15,946.85	15,946.85
33248	SOUTHERN TIRE MART LLC ML Vehicle Maintenance	3/14/2024	8,755.75	8,755.75
33249	STANLEY G. SILVA, JR. TRUCKING, INC. SS Facility Maintenance	3/14/2024	2,730.00	2,730.00
33250	SWANA Central California Sierra Chapter MOLO Training Registration	3/14/2024	1,299.00	1,299.00
33251	THE SHERWIN-WILLIAMS CO Adm Remodeling Supplies	3/14/2024	205.80	205.80
33252	TODD V. RAMEY JC Engineering Services	3/14/2024	4,774.00	4,774.00
33253	ULINE, INC. RR Special Dept Supplies	3/14/2024	934.95	934.95
33254	VALERIO VARELA JR JC Equipment Maintenance ML Vehicle Maintenance	3/14/2024	775.00 285.00	1,060.00
33255	VEGETABLE GROWERS SUPPLY, INC. JC Safety Supplies	3/14/2024	32.76	32.76

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33256	A & G PUMPING, INC JR & JC Portable Toilets	3/20/2024	426.50	426.50
33257	ADMANOR, INC CCRMC Monthly Media & Marketing Service	3/20/2024	14,638.40	14,638.40
33258	ADVANCED CHEMICAL TRANSPORT, INC. HHW Hauling & Disposal	3/20/2024	18,920.53	18,920.53
33259	Agile Occupational Medicine PC Pre-employment Physical	3/20/2024	110.00	110.00
33260	AMERICAN SUPPLY CO. JC Janitorial Supplies	3/20/2024	563.91	563.91
33261	AT&T LONG DISTANCE Adm Telephone Service	3/20/2024	39.33	39.33
33262	AT&T SERVICES INC All Sites Telephone Service	3/20/2024	69.25	69.25
33263	Atlas Copco USA Holdings Inc CH LF Blower	3/20/2024	29,670.59	29,670.59
33264	AUTOZONE LLC. All Sites Equipment Maintenance Supplies	3/20/2024	1,055.78	1,055.78
33265	**Void**	3/20/2024	-	-
33266	**Void**	3/20/2024	-	-
33267	BAGLEY ENTERPRISES, INC JR & JC Facility Maintenance	3/20/2024	1,020.00	1,020.00
33268	CALIFORNIA WATER SERVICE All Sites Water Service	3/20/2024	1,121.43	1,121.43
33269	CARLON'S FIRE EXTINGUISHER SALES & SERVICE All Sites Safety Supplies	3/20/2024	2,270.76	2,270.76
33270	CITY OF GONZALES Monthly Hosting Fees - APR	3/20/2024	20,833.33	20,833.33
33271	CLARK PEST CONTROL, INC Adm Exterminator Services	3/20/2024	216.00	216.00
33272	CLINTON HENDRICKS GIOA Travel Reimbursement	3/20/2024	1,592.33	1,592.33

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33273	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance	3/20/2024	763.73	763.73
33274	COMCAST All Sites Internet Service	3/20/2024	589.53	589.53
33275	CORE & MAIN LP CH Facility Maintenance	3/20/2024	46.72	46.72
33276	COSTCO MEMBER CARD SERVICES Agency Membership	3/20/2024	180.00	180.00
33277	CUTTING EDGE SUPPLY JC Equipment Maintenance	3/20/2024	632.01	632.01
33278	DATAFLOW BUSINESS SYSTEMS INC. Printer Network Support	3/20/2024	16.01	16.01
33279	DENTONI'S WELDING WORK'S INC. JC Vehicle Maintenance	3/20/2024	710.13	710.13
33280	EDUARDO ARROYO 126 - Building Upgrades	3/20/2024	2,700.00	2,700.00
33281	ERIC GARCIA JR Vehicle Maintenance ML Vehicle Maintenance	3/20/2024	170.00 1,020.00	1,190.00
33282	ESTELA GUERRERO Reimbursement for Fuel	3/20/2024	40.00	40.00
33283	FERGUSON ENTERPRISES INC #795 126 Remodel Supplies	3/20/2024	634.96	634.96
33284	FRESNO OXYGEN JC Equipment Maintenance	3/20/2024	28.96	28.96
33285	GOLDEN STATE TRUCK & TRAILER REPAIR JC Equipment Maintenance ML Vehicle Maintenance	3/20/2024	227.02 2,035.64	2,262.66
33286	GONZALES ACE HARDWARE All Sites Facility Maintenance Supplies	3/20/2024	373.89	373.89
33287	GONZALES TIRE & AUTO SUPPLY ML Vehicle Maintenance	3/20/2024	93.96	93.96
33288	GRAINGER JC Safety Supplies	3/20/2024	45.68	45.68
33289	GREEN RUBBER - KENNEDY AG, LP JC Facility Maintenance	3/20/2024	3,711.59	3,711.59

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33290	GREEN VALLEY INDUSTRIAL SUPPLY, INC JC Equipment Maintenance	3/20/2024	212.60	212.60
33291	GUARDIAN SAFETY AND SUPPLY, LLC HHW Safety Supplies	3/20/2024	222.87	222.87
33292	GUERITO JC Portable Toilets	3/20/2024	1,435.00	1,435.00
33293	HERC RENTALS INC. JR Equipment Rental	3/20/2024	2,602.54	2,602.54
33294	HOPE SERVICES JC Litter Abatement	3/20/2024	8,818.53	8,818.53
33295	ICONIX WATERWORK (US) INC. JR Facility Maintenance	3/20/2024	455.79	455.79
33296	JT HOSE & FITTINGS JC Equipment Maintenance Supplies	3/20/2024	351.24	351.24
33297	KING CITY HARDWARE INC. JR Facility Maintenance	3/20/2024	98.92	98.92
33298	Maestro Health FSA Administration Fee	3/20/2024	300.00	300.00
33299	MANUEL TINAJERO CH Facility Maintenance SS Tree Removal	3/20/2024	1,300.00 1,300.00	2,600.00
33300	MISSION LINEN SUPPLY All Sites Uniforms	3/20/2024	435.40	435.40
33301	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY Adm Sewer Service	3/20/2024	291.26	291.26
33302	NaJiMa Foods LLC Sustainability Fair Supplies	3/20/2024	1,450.00	1,450.00
33303	New SV Media Notice Of Public Hearing	3/20/2024	366.36	366.36
33304	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/20/2024	914.45	914.45
33305	O'REILLY AUTOMOTIVE STORES, INC. JC Vehicle Maintenance	3/20/2024	279.95	279.95
33306	PACE ANALYTICAL SERVICES, LLC CH Lab Analysis	3/20/2024	77.00	77.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33307	PRICILLIA RODRIGUEZ JR Hauling Services	3/20/2024	3,328.63	3,328.63
33308	PROBUILD COMPANY LLC Admin. Bld. Improvements	3/20/2024	174.17	174.17
33309	PURE WATER BOTTLING All Sites Water Service	3/20/2024	372.70	372.70
33310	QUINN COMPANY JC Equipment Maintenance	3/20/2024	34,015.69	34,015.69
33311	R.D. OFFUTT COMPANY JC Equipment Maintenance Supplies JR Equipment Maintenance Supplies	3/20/2024	127.04 360.13	487.17
33312	RCA Plumbing, Inc. Admin Sewer Line Repair	3/20/2024	4,407.00	4,407.00
33313	REPUBLIC SERVICES #471 Monthly Trash Service	3/20/2024	92.51	92.51
33314	RJMS CORPORATION HHW Equipment Maintenance	3/20/2024	150.00	150.00
33315	SAN BENITO SUPPLY, CONSTRUCTION, CONCRETE & QUARRY JC Improvements	3/20/2024	375.03	375.03
33316	SCS ENGINEERS LMR and GHG Reporting	3/20/2024	5,500.00	5,500.00
33317	SCS FIELD SERVICES All Sites Routine Engineering Services	3/20/2024	16,800.00	16,800.00
33318	SOCIAL VOCATIONAL SERVICES, INC. JC Litter Abatement	3/20/2024	6,658.34	6,658.34
33319	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/20/2024	16,539.29	16,539.29
33320	Southern Counties Oil Co., a CA Limited Partnership JC & JR Fuel	3/20/2024	4,100.44	4,100.44
33321	STURDY OIL COMPANY ML Vehicle Maintenance	3/20/2024	675.42	675.42
33322	TELCO BUSINESS SOLUTIONS Monthly Network Support	3/20/2024	629.44	629.44
33323	THE PAPE' GROUP INC. JC Equipment Maintenance	3/20/2024	25,799.17	25,799.17

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33324	TRI-COUNTY FIRE PROTECTION, INC. HHW Safety Supplies	3/20/2024	20.00	20.00
33325	VALERIO VARELA JR All Sites Facility Maintenance	3/20/2024	3,795.00	3,795.00
33326	ALBERT MALDONADO Annual Report Printing	3/28/2024	358.31	358.31
33327	ALESHIRE & WYNDER, LLP Monthly Legal Services	3/28/2024	6,392.90	6,392.90
33328	ASBURY ENVIRONMENTAL SERVICES HHW Hauling & Disposal	3/28/2024	105.00	105.00
33329	AT&T SERVICES INC JC Telephone Service	3/28/2024	113.91	113.91
33330	BECKS SHOES AND REPAIR All Sites Safety Supplies	3/28/2024	463.58	463.58
33331	BLUE STRIKE ENVIRONMENTAL INC RR Consulting Services	3/28/2024	6,612.46	6,612.46
33332	CALIFORNIA WATER SERVICE All Sites Water Service	3/28/2024	514.93	514.93
33333	CARLON'S FIRE EXTINGUISHER SALES & SERVICE Common Area Maintenance	3/28/2024	250.00	250.00
33334	CARLOS A CORONA JC Vehicle Maintenance	3/28/2024	854.21	854.21
33335	CITY OF SALINAS (ENVIRONMENTAL COMPLIANCE BUREAU) Common Area Maintenance	3/28/2024	182.96	182.96
33336	CLARK PEST CONTROL, INC ML Exterminator Services	3/28/2024	115.00	115.00
33337	COAST COUNTIES TRUCK & EQUIPMENT CO. ML Vehicle Maintenance Supplies	3/28/2024	947.84	947.84
33338	CUTTING EDGE SUPPLY JC Equipment Maintenance Supplies	3/28/2024	547.88	547.88
33339	ENDEAVOR MORE INC. JC Equipment Maintenance	3/28/2024	481.46	481.46
33340	FRANK'S INDUSTRIAL SERVICES, INC. All Sites LFG System Upgrades	3/28/2024	11,300.00	11,300.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33341	GOLDEN STATE TRUCK & TRAILER REPAIR All Sites Vehicle Maintenance Service	3/28/2024	1,369.47	1,369.47
33342	GONZALES ACE HARDWARE All Sites Facility Maintenance Supplies	3/28/2024	335.88	335.88
33343	GRAINGER All Sites Facility Supplies	3/28/2024	62.24	62.24
33344	GREEN RUBBER - KENNEDY AG, LP JC Facility Maintenance Supplies	3/28/2024	2,228.00	2,228.00
33345	GUARDIAN SAFETY AND SUPPLY, LLC HHW Safety Supplies	3/28/2024	1,179.90	1,179.90
33346	ICONIX WATERWORK (US) INC. JC Facility Maintenance Supplies	3/28/2024	4,824.33	4,824.33
33347	Jose Gil Hernandez Jr. ML Vehicle Maintenance	3/28/2024	2,580.00	2,580.00
33348	MANUEL PEREA TRUCKING, INC. All Sites Equipment Rental	3/28/2024	2,665.00	2,665.00
33349	MANUEL TINAJERO JC Facility Maintenance	3/28/2024	650.00	650.00
33350	MARK E. FETZER All Sites Hazpower Training	3/28/2024	1,800.00	1,800.00
33351	MISSION LINEN SUPPLY All Sites Uniforms	3/28/2024	499.52	499.52
33352	MONICA ZUNIGA HHW Refresher Supplies	3/28/2024	68.79	68.79
33353	ODP BUSINESS SOLUTIONS, LLC All Sites Office Supplies	3/28/2024	594.74	594.74
33354	ONE STOP AUTO CARE/V & S AUTO CARE, INC Ops Adm Vehicle Maintenance	3/28/2024	124.54	124.54
33355	O'REILLY AUTOMOTIVE STORES, INC. JC Equipment Maintenance Supplies	3/28/2024	689.61	689.61
33356	PACE ANALYTICAL SERVICES, LLC CH Lab Water Analysis JC Lab Water Analysis	3/28/2024	428.40 275.00	703.40
33357	PENINSULA MESSENGER LLC All Sites Courier Services	3/28/2024	1,158.00	1,158.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
33358	PRECISION ALARMS & AUTOMATION SOLUTIONS, INC. Common Area Maintenance HHW Alarm Services	3/28/2024	450.00 60.00	510.00
33359	PRICILLIA RODRIGUEZ JR Hauling Services	3/28/2024	2,648.88	2,648.88
33360	PROBUILD COMPANY LLC Adm bldg. Improvement	3/28/2024	145.15	145.15
33361	QUINN COMPANY JC Equipment Maintenance	3/28/2024	1,779.14	1,779.14
33362	R.D. OFFUTT COMPANY JC Equipment Maintenance	3/28/2024	597.65	597.65
33363	RCA Plumbing, Inc. Common Area Maintenance	3/28/2024	760.00	760.00
33364	SCALES UNLIMITED JC Scale Maintenance	3/28/2024	767.00	767.00
33365	SHARPS SOLUTIONS, LLC HHW Hauling & Disposal	3/28/2024	250.00	250.00
33366	SOUTHERN COUNTIES LUBRICANTS LLC All Sites Biodiesel Fuel	3/28/2024	11,420.87	11,420.87
33367	THE DON CHAPIN COMPANY, INC. CH Portable Toilets ML Portable Toilets	3/28/2024	405.21 465.40	870.61
33368	THE MARK ROOD COMPANY JR Septic Repair	3/28/2024	29,860.00	29,860.00
33369	VALERIO VARELA JR HHW Facility Maintenance JC Equipment Maintenance JC Facility Maintenance ML Vehicle Maintenance	3/28/2024	420.00 700.00 940.00 3,250.00	5,310.00
33370	VALLEY FABRICATION, INC. JC Equipment Maintenance JC Facility Maintenance	3/28/2024	711.98 170.98	882.96
33371	WEST COAST RUBBER RECYCLING, INC JC Tire Diversion	3/28/2024	2,365.00	2,365.00
33372	ZERO FOOTPRINT RR Collections Programs	3/28/2024	108,420.00	108,420.00

Salinas Valley Solid Waste Authority
Checks Issued Report for 3/1/2024 to 3/31/2024

Check #	Name	Check Date	Amount	Check Total
24-00461-DFT	REPUBLIC SERVICES - MADISON LANE TRANSFER STATION 4918 ML Rent	3/29/2024	16,883.54	16,883.54
24-00463-DFT	INTERMEDIA Email Exchange	3/7/2024	470.78	470.78
24-00489-DFT	WRIGHT EXPRESS FINANCIAL SERVICES CORPORATION All Sites Fuel JC & RR Fuel	3/20/2024	2,058.00 3,650.72	5,708.72
24-00492-DFT	Wilson Equipment, LLC 2017 Caterpillar D6N XL	3/25/2024	236,000.00	236,000.00
24-00493-DFT	JACK G. BENTLEY 2020 836K Compactor	3/26/2024	425,000.00	425,000.00
24-00494-DFT	PACIFIC GAS AND ELECTRIC COMPANY All Sites Electrical Services	3/27/2024	30,086.91	30,086.91
	Total:			<u>1,685,085.46</u>
	Payroll Disbursements			<u>624,971.50</u>
	Grand Total			<u><u>2,310,056.96</u></u>



Report to the Executive Committee

ITEM NO. 3

Finance and Administration Manager/
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 2, 2024
From: C. Ray Hendricks, Finance and Administration Manager
Title: A Resolution Establishing the Investment Policy

RECOMMENDATION

Staff requests that the Executive Committee recommend adoption of the resolution to the Board.

STRATEGIC PLAN RELATIONSHIP

The recommended action is routine in nature.

FISCAL IMPACT

Investment returns have increased substantially during the past year, due to the higher returns available. Conservative practices should net the Authority modest returns while keeping the principal safe and ensuring liquidity.

DISCUSSION & ANALYSIS

The investment policy has no changes from the current policy. The Investment Policy allows investment in all investment vehicles permitted by State law. However, in actual practice, the funds managed by the Treasurer have historically been mainly invested in the Local Agency Investment Fund (LAIF). At the end of March 2024, LAIF was yielding 4.232%.

BACKGROUND

In order to properly handle the Authority's investments, the Board is asked to adopt the attached Investment Policy. California Government Code Section 53646(a) (2) states that the treasurer or chief fiscal officer of a local agency may render annually to the legislative body of the local agency an investment policy, which the legislative body shall consider at a public meeting. State law further requires the Treasurer or Chief Financial Officer to submit detailed information on all securities, investments, and monies of the Authority on a quarterly basis. The next report is due in August 2024.

ATTACHMENT(S)

1. Resolution
2. Investment Policy

RESOLUTION NO. 2024 -

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
ESTABLISHING THE INVESTMENT POLICY**

WHEREAS the legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5921 and 53630 et seq.; and

WHEREAS the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern and has passed legislation to restrict permissible investments and promote oversight procedures; and

WHEREAS it is necessary to establish the policy and guidelines for the Authority to invest public funds in a manner which will provide a high level of safety and security of principal; and

WHEREAS the Finance and Administration Manager/Treasurer/Controller of Salinas Valley Solid Waste Authority shall annually prepare and submit a statement of investment policy and any changes thereto, shall be considered by the legislative body at a public meeting; and

WHEREAS the Authority's Investment Policy has been developed and presented to this Board on May 16, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Salinas Valley Solid Waste Authority that it does hereby adopt the attached Investment Policy, marked "Exhibit A," and authorizes and directs the Finance Manager/Treasurer to use said Policy in the investment of Authority funds.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at the regular meeting duly held on the 16th day of May 2024 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Exhibit A

SALINAS VALLEY SOLID WASTE AUTHORITY INVESTMENT POLICY

PURPOSE

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment process and to organize and formalize investment-related activities. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The goal is to enhance the economic status of the Authority while protecting its invested cash.

The investment policies and practices of the Salinas Valley Solid Waste Authority are based on state law and prudent money management. All funds will be invested in accordance with the Authority's Investment Policy and the authority governing investments for local governments as set forth in the California Government Code, Sections 53601 through 53686. The provisions of relevant bond documents restrict the investments of bond proceeds.

OBJECTIVE

The Authority has a fiduciary responsibility to maximize the productive use of all the assets entrusted to its care and to invest and wisely and prudently manage those public funds. As such, the Authority shall strive to maintain the level of investment of all idle funds as near 100% as possible through daily and projected cash flow determinations, investing in those investment vehicles deemed prudent and allowable under current legislation of the State of California and the ordinances and resolutions of the Salinas Valley Solid Waste Authority.

SCOPE

It is intended that this policy cover all funds and investment activities of the Salinas Valley Solid Waste Authority. This investment policy applies to all Authority transactions involving the financial assets and related activity of all funds. Any additional funds that may be created from time to time shall also be administered with the provisions of this policy and comply with current State Government Code.

The Authority will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies regarding investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

AUTHORIZATION

The Board of Directors has delegated investment authority to the Finance Manager/Treasurer. This delegation is further authorized by Section 53600, et seq. of the Government Code of the State of California, which specifies the various permissible investment vehicles, collateralization levels, portfolio limits, and reporting requirements.

GUIDELINES

Government Code Section 53600.5 states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the primary objective of the trustee shall be to safeguard the principal of funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control."

Simply stated, *safety of principal* is the foremost objective, followed by *liquidity* and *return on investment* (known as yield). Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from market erosion or security defaults.

1. Government Code Section 53601 authorizes the following investment vehicles:

<u>Permitted Investments/Deposits</u>	<u>Maximum Percentages of Portfolio</u>	<u>Maximum Maturity</u>	<u>Minimum Quality Requirements</u>
U.S. Treasury Obligations	Unlimited	5 Years*	None
U.S. Agencies Obligations ^(a)	Unlimited	5 Years*	None
Non-Negotiable			
Certificates of Deposit	Unlimited	5 Years*	None
Negotiable			
Certificates of Deposit	30%	5 Years*	None
Bankers Acceptances	40% ^(b)	180 Days	None
Commercial Paper	25% ^(c)	270 Days	A-1/P-1/F-1
L.A.I.F.	\$75 Million ^(d)	N/A	None
CalTRUST Investment Pool ^(e)	Unlimited	N/A	None
Repurchase Agreements	Unlimited	1 Year	None
Reverse Repurchase Agreements	20%	92 Days	None
Mutual Funds and Money			
Market Mutual Funds	20%	N/A	Multiple ^(f,g)
Medium Term Notes ^(h)	30%	5 Years*	"A" rating

* Maximum term unless expressly authorized by Governing Body and within the prescribed time frame for said approval

- a) Includes U.S. Government Sponsored Enterprise Obligations
- b) No more than 30 percent of the agency's money may be in Bankers' Acceptances of any one commercial bank.
- c) 10 percent of the outstanding commercial paper of any single corporate issuer.
- d) Limit set by LAIF Governing Board, not the Government Code.
- e) Investment Trust of California dba CalTRUST

- f) A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years of experience investing in instruments authorized by Government Code sections 53601 and 53635.
- g) A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years of experience investing in money market instruments with assets under management in excess of \$500 million.
- h) "Medium-term notes" are defined in Government Code Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating with the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S."

2. Criteria for selecting investments, and the order of priority, are:

A. Safety

The safety and risk associated with an investment refers to the potential loss of principal, interest, or a combination of these amounts. Investments of the Salinas Valley Solid Waste Authority shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The Authority only invests in those instruments that are considered very safe.

B. Liquidity

This refers to the ability to "cash in" at any moment with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the unexpected need for funds occurs. The Salinas Valley Solid Waste Authority investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements, which might be reasonably anticipated. It is the Authority's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

C. Yield

Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return. The Salinas Valley Solid Waste Authority investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the Authority's investment risk constraints and the cash flow characteristics of the portfolio.

- 3. An amount of money deemed sufficient to meet one payroll and two weeks claims shall be maintained in highly liquid investment vehicles such as the State Local Agency Investment Fund, or other similar investment instrument.

4. The Authority will attempt to obtain the highest yield obtainable when selecting investments, provided that criteria for safety and liquidity are met. Ordinarily, through a positive yield curve, (i.e., longer term investment rates are higher than those of shorter maturities), the Authority attempts to ladder its maturities to meet anticipated cash maturities that carry a higher rate than is available in the extremely short market of 30 days or less.
5. Most investments are highly liquid, except for certificates of deposit held by banks and savings and loans. Investments in Certificate of Deposit shall be fully insured or collateralized. When insurance is pledged, it shall be through the FDIC. Collateralization shall be in the amount of 110% of principal when government securities are pledged or 150% of principal when backed by first deeds of trust. Maturities are selected to anticipate cash needs, thereby obviating the need for forced liquidation.
6. When investing in Bankers Acceptances, Treasury Bills and Notes, Government Agency Securities and Commercial Paper, securities for these investments shall be conducted on a delivery-versus-payment basis. Securities are held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts when such delivery directly to the Authority would be impractical.
7. Except for Treasury Notes and other government Agency Issues, the maturity of any given investment shall not exceed 1 year.
8. Bond Proceeds shall include any notes, bonds or other instruments issued on behalf of the Salinas Valley Solid Waste Authority for which the members of the Board of Directors serve as the governing body. Should the Salinas Valley Solid Waste Authority elect to issue bonds for any purpose, the Indenture of Trust shall be the governing document specifying allowable investments for the proceeds of the issue as prescribed by law.
9. Investment income shall be shared by all funds on a proportionate ratio of each funds balance to total pooled cash with investment income distributed accordingly on a quarterly basis.
10. Investments in any other vehicle like Repurchase and Reverse Repurchase Agreements shall not be authorized unless the investment is made through the pooled money portfolio of the Local Agency Investment Fund.
11. The Treasurer shall annually render to the Board of Directors for consideration at a public meeting, a statement of investment policy. The Treasurer will also render an investment report to the Board of Directors at the first regular Board Meeting occurring after the end of each calendar quarter. The quarterly report shall include type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Salinas Valley Solid Waste Authority. The report shall state compliance with the investment policy or way the portfolio is not in compliance. It shall also include a statement denoting the ability to meet the Authority's expenditure requirement for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

12. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the Salinas Valley Solid Waste Authority Investment Policy and supersede all previous language.
13. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions.

The basic premises underlying the Authority's investment philosophy are, and will continue to be, to safeguard principal, to meet the liquidity needs of the organization and to return an acceptable yield.



Report to the Executive Committee

ITEM NO. 4

Finance and Administration Manager,
Controller/Treasurer

General Manager/CAO

R. Santos by E.T.

Authority General Counsel

Date: May 2, 2024
From: C. Ray Hendricks, Finance and Administration Manager
Title: A Resolution Adopting the Revised Financial Policies

RECOMMENDATION

Staff requests that the Executive Committee recommends adoption of the resolution.

STRATEGIC PLAN RELATIONSHIP

This agenda item is not related to any particular strategic plan goal. It is part of the Authority's overall fiscal sustainability plan.

FISCAL IMPACT

This item has no immediate fiscal impact, but it provides the policies used to manage Authority funds.

DISCUSSION & ANALYSIS

Staff reviews the Financial Policies annually to ensure that they are consistent with current practices and generally accepted accounting principles. The policies were last approved on May 19, 2022 updating the fund balance/reserves section to prioritize the pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts prior to any allocation to reserves, and to update the capitalization threshold to \$15,000.

In conjunction with changes to the Closure and Post-Closure estimates approved by CalRecycle in 2020, the Board approved fully funding the post-closure liabilities to ensure that funds were available when the site closed in the future. The fund has remained fully funded ever since. Including language in the financial policies to keep this fully funded will ensure that this continues to be done over time as the liabilities are accrued.

Recent updates to the generally accepted accounting principles have updated the name of our annual financial report to ACFR, along with updates to how leases are recorded. The corresponding sections have been updated to reflect these changes.

The remaining updates to the policy are minor and made to ensure consistency throughout the document, to correct typographical errors, and to align with actual practices.

BACKGROUND

The financial policies were last approved on May 19, 2022 and November 18, 2021. Prior to these two dates, the policies had remained unchanged since April 17, 2014. In order to

ensure that the policies remained consistent with current practices and generally accepted accounting principles, staff committed to review annually.

ATTACHMENT(S)

1. Resolution
2. Red-lined changes to Financial Policies
3. Financial Policies

RESOLUTION NO. 2024 –

**A RESOLUTION OF THE SALINAS VALLEY SOLID WASTE AUTHORITY
ADOPTING THE FINANCIAL POLICIES**

WHEREAS, the Board of Directors of the Salinas Valley Solid Waste Authority last approved the financial policies by adoption of Resolution No. 2022-21 on May 19, 2022; and,

WHEREAS, a recent review of the policies found that updates to the generally accepted accounting principles recently approved by the Government Accounting Standards Board need to be reflected in the policy; and,

WHEREAS, maintaining a fully funded post-closure fund for Johnson Canyon Landfill has been a priority of the agency; and,

WHEREAS, the Authority strives to promote transparency in its fiscal affairs and fiscal accountability; and,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Salinas Valley Solid Waste Authority, that the Financial Policies attached hereto as Exhibit "A" are hereby approved and adopted.

PASSED AND ADOPTED by the Board of Directors of the Salinas Valley Solid Waste Authority at a regular meeting duly held on the 16th day of May 2024, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

Anthony Rocha, President

ATTEST:

APPROVED AS TO FORM:

Erika J. Trujillo, Clerk of the Board

Roy C. Santos, Authority General Counsel

Salinas Valley Solid Waste Authority
Financial Policies

TABLE OF CONTENTS

SUMMARY2

REVENUES.....4

EXPENDITURES5

FUND BALANCE/RESERVES6

CAPITAL EXPENDITURES AND IMPROVEMENTS8

DEBT..... 10

INVESTMENTS..... 13

GRANTS 14

CLOSURE FUNDING 15

FISCAL MONITORING 16

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING 17

INTERNAL CONTROLS 18

OPERATING BUDGET 19

CAPITAL ASSETS21

Salinas Valley Solid Waste Authority
Financial Policies

SUMMARY

The Salinas Valley Solid Waste Authority (Authority) Board of Directors recognizes their fiduciary responsibility by virtue of their appointment to the Board. In an effort to promote transparency in the fiscal affairs of the Authority and to promote fiscal accountability, it hereby adopts the following financial policies to guide the Authority's finances:

1. Revenues: The Authority will maintain a revenue system that will ~~assure~~ensure a reliable, equitable, and predictable revenue stream to support Authority services.
2. Expenditures: The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.
3. Fund Balance/Reserves: The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable occurrences or emergencies.
4. Capital Expenditures and Improvements: The Authority shall annually review the state of its capital assets, setting priorities for its replacement and renovation based on needs, funding, alternatives, and availability of resources.
5. Debt: The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.
6. Investments: The Authority's cash will be invested in such a manner ~~so as to ensure~~that ensures the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield.
7. Grants: The Authority shall seek, apply for, and effectively administer federal, state, and foundation grants that address the Authority's current priorities and policy objectives.
8. Closure Funding: The Authority shall properly fund all closure and post-closure costs in accordance with California Department of Resources Recycling and Recovery (CalRecycle) requirements.
9. Fiscal Monitoring: Authority staff shall prepare and present to the Board regular reports that analyze, evaluate, and forecast the Authority's financial performance and economic condition.

Salinas Valley Solid Waste Authority
Financial Policies

10. Accounting, Auditing and Financial Reporting: The Authority's accounting, auditing, and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.
11. Internal Controls: The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.
12. Operating Budget: The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.
13. Capital Assets: The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles ~~so as~~ to maintain proper control of all capital assets.

Salinas Valley Solid Waste Authority
Financial Policies

~~1-~~ **REVENUES**

The Authority will maintain a revenue system that will assure a reliable, equitable, predictable revenue stream to support Authority services.

A. User Fees

The Authority shall establish and collect fees to recover the ~~costs~~cost of handling specific items that benefit only specific users. The Authority Board shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the Authority shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, compare them to the current fee structure, and to recommend adjustments where necessary.

B. Tipping Fees

Tipping fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide ~~additional~~ funding for ongoing capital improvements, and provide adequate levels of working capital. Tipping Fees are not expected to cover depreciation ~~or~~ depletion.

C. One Time Revenues

One-time revenues shall be used only for one-time expenditures.

D. Revenue Estimates

The Authority shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and thus avoid mid-year service reductions.

E. Revenue Collection and Administration

The Authority shall pursue to the full extent allowed by state law all delinquent ratepayers and ~~others~~ overdue ~~in-~~ payments to the Authority. Since ~~a~~ revenue should not exceed the cost of producing it, the Authority shall strive to control and reduce administrative collection costs.

~~2~~ **EXPENDITURES**

The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

A. Current Funding Basis

The Authority shall operate on a current funding basis. Expenditures shall be budgeted and controlled to not exceed current revenues.

B. Avoidance of Operating Deficits

The Authority shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Reserves Policy. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the Authority shall maintain capital assets and infrastructure at a sufficient level to protect the Authority's investment, to minimize future replacement and maintenance costs, and to continue current service levels.

D. Periodic Program Reviews

The General Manager shall undertake periodic staff and third-party reviews of Authority programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternative approaches ~~to~~for service delivery. Programs which are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

E. Purchasing

The Authority shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall use competitive bidding whenever possible to attain the best possible price on goods and services.

~~3~~ **FUND BALANCE/RESERVES**

The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable emergencies.

A. Funding the Reserves

After completion of the annual audit, any undesignated cash balance will be first used to pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts. Remaining funds shall be allocated to reserves using the following methodology:

1. Operating Reserve (20%)
2. Capital Projects Reserve (60%)
3. Environmental Impairment Reserve (20%)

Any allocation outside of the prescribed methodology or transfers between reserves must be approved by the Board.

B. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to fifteen percent (15%) of the current ~~year~~~~'s~~ operating ~~expenditures~~~~expenditure~~ budget in order to provide sufficient reserves for unforeseen occurrences and revenue shortfalls. Operating expenditures, for reserve purposes, is defined as the total budget less capital project expenditures.

❖ Use of Operating Reserve

The Operating Reserve shall be used only for its designated purpose: Emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year revenues. Should such use reduce the balance below the appropriate level set as the objective, restoration recommendations will accompany the decision to utilize said reserve.

C. Capital Projects Reserve

Due to the capital-intensive nature of the Authority's landfill operations the Authority will develop a Capital Projects Reserve for the purpose of funding future capital projects and replacement of existing capital infrastructure in accordance with the Capital Improvements Financial Policies. The target amount of the reserve will be based on the average annual capital needs of the Authority.

Salinas Valley Solid Waste Authority
Financial Policies

D. Environmental Impairment Reserve

Due to the potential release of contaminants that exists with all Municipal Solid Waste landfills, the Authority will ~~strive to~~ fund an Environmental Impairment Reserve for the purpose of responding to a release in a timely manner. The funds can also be used for mitigation or corrective action measures required by CalRecycle. It is highly unlikely that all sites would need corrective action at the same time. Therefore, the funding goal is the Capital Improvement costs at the highest of the sites.

E. Annual Review of Reserves

As part of the annual budget process, the Authority will review the target amount and the status of each of the reserves. This will be considered as part of the budget development. The goal is to reach the Operating and Environmental Impairment Reserve amounts within a five-year period but in no case later than 10 years.

4-CAPITAL EXPENDITURES AND IMPROVEMENTS

The Authority shall annually review the state of its capital assets, setting priorities for their replacement and renovation based on needs, funding, alternatives, and availability of resources.

A. Capital Improvement Plan

The Authority shall prepare a 10-Year Capital Improvement Plan (CIP) which will detail the Authority's capital needs. The CIP plan will be reviewed every year while discussions of the operating budget take place. The CAO will develop guidelines for what projects to include in the CIP budget. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every capital project, all operation, maintenance, and replacement costs shall be fully disclosed. The CIP budget will be in conformance with and support the Authority's major planning documents and 3-year Strategic Plans.

B. Capital Improvement Budget

The CIP plan will be the basis for which projects will be included in the following year's budget. Appropriations will be approved annually using the following criteria:

1. ~~Linkage with~~The needs identified in the Authority's planning documents.
2. Cost/benefit analysis identifying all economic or financial impacts of the project.
3. Identification of available funding resources.

CIP funding will be based on the following priorities:

1. Projects that comply with regulatory requirements.
2. Projects that maintain health and safety standards.
3. Projects that maintain and preserve existing facilities.
4. Projects that replace existing facilities ~~that~~which can no longer be maintained.
5. Projects that improve operations.

C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

1. Use of current revenues.
2. Use of the Capital Projects Reserve.
- ~~3.~~ Borrow money through debt issuance.
- 3.

Salinas Valley Solid Waste Authority
Financial Policies

Debt financing includes revenue bonds, certificates of obligation, lease/purchase agreements, and other obligations permitted to be issued or incurred under California law. Guidelines for assuming debt are set forth in the Debt Policy Statements.

D. Capital Projects Reserve Fund

A Capital Projects Reserve Fund shall be established and maintained to accumulate funds transferred from the undesignated fund balance. This fund shall only be used to pay for non-routine and one-time capital expenditures such as land and building purchases or construction and maintenance projects with a 10-year life. Expenditures from this Fund shall be aimed at protecting the health and safety of residents, employees, and the environment, and protecting the existing assets of the Authority.

E. Capital Projects Management

The Authority will fund and manage its capital projects in a phased approach. The project phases will become a framework for appropriate decision points and reporting. The phasing will consist of:

1. Conceptual/~~schematic proposal~~Schematic Proposal
2. Preliminary ~~design~~Design and ~~cost estimate~~Cost Estimate
3. Engineering and ~~final design~~Final Design
4. Bid ~~administration~~Administration
5. Acquisition/~~construction~~Construction
6. Project ~~closeout~~Closeout

Each project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, periodically report project status and track project expenditures.

Salinas Valley Solid Waste Authority
Financial Policies

~~5~~ **DEBT**

The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.

A. Use of Debt Financing

The issuance of long-term debt will be only for the acquisition of land, capital improvements, or equipment.

Debt financing is not considered appropriate for current operations, maintenance expenses, or for any recurring purposes.

B. Conditions for Debt Issuance

The Authority may use long-term debt to finance major equipment acquisition or capital projects only if it is established through a cost/benefit analysis that the financial and community benefits of the financing exceed the financing costs. Benefits would include, but not be limited to, the following:

1. Present value benefit: The current cost plus the financing cost is less than the future cost of the project.
2. Maintenance value benefit: The financing cost is less than the maintenance cost of deferring the project.
3. Equity benefit: Financing provides a method of spreading the cost of a facility back to the users of the facility over time.
4. Community benefit: Debt financing of the project enables the Authority to meet an immediate community need.

Debt financing will be used only when project revenues or other identified revenue sources are sufficient to service the debt.

C. Debt Structure

The Authority's preference is to issue fixed-rate, long-term debt with level debt service, but variable rate debt or other debt service structure may be considered if an economic advantage is identified for a particular project.

Bond proceeds, for debt service, will be held by an independent bank acting as trustee or paying agent.

The Authority's minimum bond rating objective for all debt issues is a Moody's and Standard & Poor's rating of A (upper medium grade). Credit enhancements will be used to achieve higher ratings when there is an economic benefit.

Salinas Valley Solid Waste Authority
Financial Policies

The Authority may retain the following contract advisors for the issuance of debt:

1. Financial Advisor - To be selected, when appropriate, by negotiation to provide financial analysis and advice related to the feasibility and structure of the proposed debt.
2. Bond Counsel - To be selected by negotiation for each debt issue.
3. Underwriters - To be selected by negotiation or competitive bid for each bond issue based upon the proposed structure for each issue.

D. Call Provisions

Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the Authority. When possible, all bonds shall be callable only at par.

E. Debt Refunding

Authority staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3.5% of the refunded maturities.

F. Interest Earnings

Interest earnings received on the investment of bond proceeds shall be used to assist in paying the interest due on bond issues, to the extent permitted by law.

G. Lease/Purchase Agreements

Over the lifetime of a lease, the total cost to the Authority will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

H. Post Issuance Administration / Internal Control

❖ Investment of Proceeds

The proceeds of bond sales will be invested until used for the intended project(s) ~~in order~~ to maximize utilization of the public funds. The investments will be made to obtain the highest level of 1) safety, 2) liquidity, and 3) yield, and may be held as cash. The Authority's investment guidelines and bond indentures will govern objectives and criteria for investment of bond proceeds. The Finance and Administration Manager will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.

Salinas Valley Solid Waste Authority
Financial Policies

❖ Use of Proceeds

Bond proceeds will be deposited and recorded in separate accounts to ensure that funds are not comingled with other Authority funds. To ensure proceeds from bond sales are used in accordance with legal requirements, all invoices will be submitted to the Finance and Administration Manager for approval prior to payment. The Finance and Administration Manager will be tasked with monitoring the expenditure of bond proceeds to ensure that they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the Authority will meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.

❖ Arbitrage Compliance

The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The Finance and Administration Manager shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if a rebate payment is due, such payment is made in a timely manner.

Salinas Valley Solid Waste Authority
Financial Policies

~~6~~ **INVESTMENTS**

The Authority's cash will be invested in such a manner ~~so as~~ to ensure the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield after meeting the first two requirements.

A. Investment Policy

The Authority Treasurer is both authorized and required to promulgate a written Statement of Investment Policy which shall be presented to the Board annually.

B. Interest Earnings

Interest earned from investments shall be distributed to the operating funds from which the money was provided, with the exception that interest earnings received on the investment of bond proceeds shall be attributed and allocated to those debt service funds responsible for paying the principal and interest due on the bond issue.

Salinas Valley Solid Waste Authority
Financial Policies

~~7-~~**GRANTS**

The Authority shall seek, apply for, and effectively administer federal, state and foundation grants-in-aid that address the Authority's current priorities and policy objectives.

A. Grant Guidelines

The Authority shall apply, and facilitate the application ~~by~~for others, ~~for~~only ~~these~~for grants that are consistent with the objectives and high priority needs previously identified by the Board. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. Indirect Costs

The Authority shall recover full indirect costs unless the funding agency does not permit it. The Authority may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

C. Grant Review

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Authority's policy objectives. Departments shall seek Board approval prior to submission of a grant application. Should time constraints under the grant program make this impossible, the department shall obtain approval to submit an application from the CAO and then, at the earliest feasible time, seek formal Board approval. If there are cash match requirements, the source of funding shall be identified prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.

D. Grant Program Termination

The Authority shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

8—CLOSURE AND POST-CLOSURE FUNDING

The Authority shall properly fund all closure and post closure costs in accordance with CalRecycle requirements.

A. Closure Funding

In accordance with CalRecycle requirements, the Authority shall annually set aside sufficient funds to fully fund all accrued closure costs liability. These funds will be held in a separate Closure Fund restricted specifically for this purpose.

B. Post-~~closure~~-Closure Funding

Johnson Canyon Landfill is the Authority's last regional landfill. To ensure that there is adequate funding for post-closure maintenance of the landfill for the minimum required 30 years, the Authority shall ensure that the post-closure liability is fully funded annually. The required funding shall be the currently filled capacity percentage times the CalRecycle approved post-closure estimate. These funds will be held in a separate Post-Closure Fund restricted specifically for this purpose.

In accordance with ~~the~~ Financial Assurances, the Authority shall fund post closure costs for the three currently closed sites from future revenues when those costs are incurred. The Authority has entered into a Pledge of Revenue agreement with CalRecycle for this purpose.

C. Closure and Post-Closure Funding Calculations

The Authority shall, as part of the budget process, annually recalculate the closure and post-closure costs on a per ton basis. Funds will be transferred monthly to the Closure funds appropriate fund based on tonnage landfilled. Post-closure expense incurred ~~because of due to the~~ current fiscal year solid waste disposal will be recorded as an expense on the Authority's financial statements with a corresponding liability.

Salinas Valley Solid Waste Authority
Financial Policies

~~9~~ **FISCAL MONITORING**

Authority staff shall prepare and present to the Board regular reports that analyze, evaluate, and forecast the Authority's financial performance and economic condition.

A. Financial Status and Performance Reports

Monthly reports comparing expenditures and revenues to current budget, noting the status of fund balances, and outlining any remedial actions necessary to maintain the Authority's financial position shall be prepared for review by the Board.

B. Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures, to include a discussion of major trends affecting the Authority's financial position, shall be included during the budget process. The forecast shall also examine critical issues facing the Authority, economic conditions, and the outlook for the upcoming budget year. The document shall provide insight into the Authority's financial position and alert the Board to potential problem areas requiring attention.

C. Status Report on Capital Projects

A summary report on capital projects completed and the status of the Authority's various capital projects will be prepared as part of the monthly financial reports and presented to the Board.

D. Compliance with Board Policy Statements

The Financial Policies will be reviewed annually and updated, revised, or refined as deemed necessary. Policy statements adopted by the Board are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained.

10 ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

The Authority's accounting, auditing and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.

A. Conformance to Accounting Principles

The Authority's accounting practices, and financial reporting shall conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

B. Popular Reporting

In addition to issuing ~~an annual~~ comprehensive ~~annual~~ financial report (~~CAFRACFR~~) in conformity with GAAP, the Authority shall supplement its ~~CAFRACFR~~ with a simpler, "popular" report designed to assist those residents who need or desire a less detailed overview of the Authority's financial activities. This report should be issued no later than six months after the close of the fiscal year.

~~11~~ **INTERNAL CONTROLS**

The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.

A. Proper Authorizations

Procedures shall be designed, implemented, and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

B. Separation of Duties

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

C. Proper Recording

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded and that all financial reports may be relied upon as accurate, complete, and up to date.

D. Access to Assets and Records

Procedures shall be designed and maintained to ensure that adequate safeguards exist ~~over~~with the access to and use of financial assets and records.

E. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

F. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

~~12~~ **OPERATING BUDGET**

The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.

A. Budget Format

The budget shall provide a complete financial plan of all Authority funds and activities for the ensuing fiscal year and shall be in such form as the Chief Administrative Officer deems desirable or that the Board may require.

The budget shall begin with a clear general summary of its contents. It shall show in detail all estimated revenues, all ~~carry-over~~carryover fund balances and reserves, and all proposed expenditures, including debt service, for the ensuing fiscal year.

The total of proposed expenditures shall not exceed the total of estimated revenues plus the ~~un-appropriated~~unappropriated fund balance, exclusive of reserves, for any fund.

The budget will be organized on a program/service level format.

The budget development process will include the identification and evaluation of policy options for increasing and decreasing service levels.

B. Estimated Revenues

The Authority will annually update its revenue forecast to enhance the budgetary decision-making process.

In its budget projections, the Authority will attempt to match current expenses to current ~~revenue~~revenues. If it becomes apparent that revenue shortfalls will create a deficit, efforts will be made first to reduce the deficiency through budgetary reductions.

If appropriate reductions are insufficient, the Board may decide, on an exception basis, to use an appropriate existing reserve.

C. Appropriations

In evaluating the level of appropriations for program enhancements, or reductions, the Authority will apply the following principles in the priority order given:

1. Essential services, which provide for the health and safety of residents, will be funded to maintain current dollar levels.
2. The budget will provide for adequate ongoing maintenance of facilities and equipment.

Salinas Valley Solid Waste Authority
Financial Policies

3. Appropriations for program enhancements or reductions will be evaluated on a case-by-case basis rather than across the board.
4. When reductions in personnel are necessary to reduce expenditures, they shall be consistent with the Authority Board's established service level priorities and, when possible, shall be accomplished through normal attrition.
5. Programs, which are self-supported by special revenues or fees, shall be separately evaluated.

Prior to the Authority Board making any supplemental appropriation, the CAO or Finance and Administration Manager shall certify that funds in excess of those estimated in the budget are available for appropriation. Any such supplemental appropriations shall be made for the fiscal year by Board action up to the amount of any excess.

Appropriations may be reduced at any time during the fiscal year by the Authority Board upon recommendation of the CAO. When appropriation reductions are recommended, the CAO shall provide specific recommendations to the Board, indicating the estimated amount of the reduction, any remedial actions taken, and recommendations as to any other steps to be taken.

The CAO may transfer appropriations between divisions, and division managers may transfer appropriations between programs and accounts within their individual divisions, but only the Board by resolution may appropriate funds from reserves or fund balances.

Appropriations ~~All appropriations, except for Capital capital Improvementimprovement programs-Program, post-closure, and Grant-grants Programs-appropriations,~~ shall continue in force until expended, revised, or cancelled. lapse at the end of the fiscal year to the extent that they have not been expended or encumbered. An appropriation in the Capital Improvement-Program shall continue in force until expended, revised, or cancelled. All other appropriations shall lapse at the end of the fiscal year to the extent that they have not been expended.

The Authority will endeavor to budget a contingency account in ~~all-the Divisions-~~ operating budgets equal to one percent of the total Operating Budget to meet changing operational requirements during the fiscal year.

~~13~~ **CAPITAL ASSETS**

The Authority will capitalize all ~~capital~~ assets in accordance with Generally Accepted Accounting Principles ~~so as~~ to maintain proper control of all ~~capital~~ assets.

A. Overview – The Finance Division will maintain ~~a capital an~~ asset management system that will meet external financial reporting requirements and the needs of the Authority in line with these policies.

1. Capital assets are recorded as expenditures in governmental funds at the time the assets are received, and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements. Enterprise fixed assets are recorded as assets within the fund when purchased and a liability is incurred.
 - I. GASB 34 defines Capital Assets as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period.
 - II. GASB 34 defines Infrastructure Assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings that are an ancillary part of a network of infrastructure assets are included.

The Authority uses the most current edition of GOVERNMENTAL ACCOUNTING, AUDITING, AND FINANCIAL REPORTING (GAAFR) published by the Government Finance Officers Association (GFOA) as its authoritative guide in setting policy and establishing accounting procedures regarding capital assets.

B. Capitalization

Generally, all capital assets with an original cost of \$15,000 or more will be capitalized (recorded as an asset on the balance sheet versus expensing the item). ~~Infrastructure Assets with an original cost of \$150,000 or more will be capitalized.~~ This capitalization policy addresses financial reporting, not control. The Authority follows the GFOA recommended practices for establishing capitalization thresholds. Specific capitalization requirements are described as follows:

Salinas Valley Solid Waste Authority
Financial Policies

1. The asset must cost \$15,000 or more.
2. The asset must have a useful life of ~~two (2) or more years~~ more than one year.
3. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten items purchased for \$10,000 each will not be capitalized even though the total (\$100,000) exceeds the threshold of \$15,000.
4. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset functional.
5. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described in number ~~6~~ six below.
6. Improvements to existing capital assets that extend the useful life of the related capital asset will be subject to capitalization if the cost exceeds \$15,000.
7. Capital projects will be capitalized as "construction in progress" until completed. Personal computers will not be capitalized:

C. Leased Assets

GASB 87 requires that all leases are reported as a capital or financing lease unless the lease is a short-term lease, characterized as 12 months or less. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Leases will be capitalized if ~~one or more~~ both of the following criteria are met ~~and the chance of cancellation is low:~~

1. Ownership is transferred by the end ~~The non-cancellable portion of the lease is more than 12 months~~
2. The total amount of the lease meets the capitalization threshold of \$15,000
 - ~~a. At the commencement~~ of the lease term
 - ~~b. The, a~~ lease ~~contains a bargain purchase option~~
 - ~~c. They will be recorded as both a~~ lease ~~term is greater than or equal to 75 percent of liability at~~ the ~~asset's service life~~
 - ~~d. The present value of the minimum lease payment is greater than or~~

Salinas Valley Solid Waste Authority
Financial Policies

~~equal to ninety percent (90%) of the fair market value of the payments expected to be made during the lease term, and a lease asset measured at the inception amount of the lease.~~

Salinas Valley Solid Waste Authority
Financial Policies

~~Capital lease items are capitalized at the beginning initial measurement of the lease period, regardless of when liability, plus any payments made to the title transfers. Capital leases are recorded at net present value lessor at or before the commencement of the lease payments. term and certain direct costs.~~

D. Capital Asset Recording

It is the responsibility of the Finance Division to record, monitor and inventory all fixed assets. Each division will assign appropriate staff members to respond to verification, inventories, and filling out the necessary forms for recording transfers, dispositions, or retired fixed assets.

E. Acquisition of Capital Asset

Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts. When a capital asset is acquired, the funding source will be identified. If funds are provided by a specific funding source, a record will be made of that specific source such as:

- ❖ Bond Proceeds
- ❖ State Grants

F. Measuring the Cost and/or Value

Capital assets are recorded at their "historical cost," which is the original cost of the assets. Donations accepted by the Authority will be valued at the fair market value at the time of donation. Costs include purchase price (less discounts) and any other reasonable and necessary costs incurred to place the asset in its intended location and prepare it for service. Costs could include the following:

- ❖ Sales Tax
- ❖ Freight charges
- ❖ Legal and title fees
- ❖ Closing costs
- ❖ Appraisal and negotiation fees
- ❖ Surveying fees
- ❖ Land-preparation costs
- ❖ Demolition costs
- ❖ Relocation costs
- ❖ Architect and accounting fees
- ❖ Insurance premiums and interest costs during construction

G. Establishing Cost in the Absence of Historical Records

Salinas Valley Solid Waste Authority
Financial Policies

According to ~~the~~ GASB 34, an estimate of the original cost is allowable. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary, the Authority will use whichever method gives the most reasonable amount based on available information.

H. Recording Costs Incurred After Acquisition

Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.

I. Disposition or Retirement of Fixed Assets

~~It is the Authority's policy that divisions wishing to dispose of surplus, damaged or inoperative equipment must notify the Finance Division.~~

Salinas Valley Solid Waste Authority
Financial Policies

~~The Authority will conduct public auctions, as necessary, for the purpose of disposing of surplus property. Auctions will be conducted by the Finance Division. The Assets with an estimated remaining value of \$15,000 or more will be scheduled for Board approval prior to disposal. The asset will be disposed of in a way to achieve the highest recovery possible while ensuring that the cost of disposal is minimized. The recovered funds will be allocated to the Capital Improvement Project used to replace the asset. Once disposed, the original cost less depreciation will then be removed from the Authority's capital asset management system.~~

J. Transfer of Assets

The transfer of fixed assets between divisions requires notification to the Finance Department.

K. Depreciation

In accordance with GASB Statement No. 34 the Authority will record depreciation expense on all capital assets, except for inexhaustible assets.

The Authority will use straight-line depreciation using the half-year convention or mid-month as appropriate. ~~Depreciation will be calculated for half a year in the year of acquisition and the year of disposition.~~ Depreciation will be calculated over the estimated useful life of the asset.

L. Recommended Lives

The Authority follows GFOA Recommended Practices when establishing recommended lives for capitalized assets. In accordance with GASB 34 the Authority will rely on "general guidelines obtained from professional or industry organizations." ~~In particular the~~The Authority will rely on estimated useful lives published by GFOA. If the life of a particular asset is estimated to be different than these guidelines, it may be changed. The following is a summary for the estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	20 to 50 years
Improvements	15 to 45 years
Infrastructure	20 to 50 years
Equipment and Machinery	5 to 20 years

M. Control of Assets

Salinas Valley Solid Waste Authority
Financial Policies

In accordance with GFOA Recommended Practice the Authority will exercise control over the non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the division level. The Authority's capitalization threshold of \$15,000 meets financial reporting needs and is not designed for nor particularly suited to maintain control over lower cost capital assets. It is the responsibility of each division to maintain inventories of lower-cost capital assets to ensure adequate control and safekeeping of these assets.

N. Maintenance Schedules

The Authority shall develop and implement maintenance and replacement schedules with a goal of maximizing the useful life of all assets. The schedules shall include estimates of annual maintenance and/or replacement funding required for each asset.

O. Maintenance Funding

The Authority shall identify specific sources of funds for the annual maintenance or replacement of each asset. Whenever possible, the maintenance or replacement funding shall be identified from a source other than the Authority General Fund. The Authority shall endeavor to set aside, on an annual basis, one and one-half percent (1½%) of its Operating Budget to provide for on-going maintenance and required replacement of assets that cannot be reasonably funded from other sources.

P. Inventorizing

The Authority will follow the GFOA recommended practice of performing a physical inventory of its capitalized capital assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.

Q. Tagging

The Authority will tag only moveable equipment with a value of \$15,000 or higher. Rolling stock items will not be tagged. They will be identified by the VIN number. The Finance department will be responsible for tagging equipment.

Salinas Valley Solid Waste Authority
Financial Policies

TABLE OF CONTENTS

SUMMARY2
REVENUES.....4
EXPENDITURES5
FUND BALANCE/RESERVES6
CAPITAL EXPENDITURES AND IMPROVEMENTS8
DEBT.....10
INVESTMENTS.....13
GRANTS14
CLOSURE FUNDING15
FISCAL MONITORING16
ACCOUNTING, AUDITING, AND FINANCIAL REPORTING17
INTERNAL CONTROLS18
OPERATING BUDGET19
CAPITAL ASSETS21

Salinas Valley Solid Waste Authority
Financial Policies

SUMMARY

The Salinas Valley Solid Waste Authority (Authority) Board of Directors recognizes their fiduciary responsibility by virtue of their appointment to the Board. In an effort to promote transparency in the fiscal affairs of the Authority and to promote fiscal accountability, it hereby adopts the following financial policies to guide the Authority's finances:

1. Revenues: The Authority will maintain a revenue system that will ensure a reliable, equitable, and predictable revenue stream to support Authority services.
2. Expenditures: The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.
3. Fund Balance/Reserves: The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable occurrences or emergencies.
4. Capital Expenditures and Improvements: The Authority shall annually review the state of its capital assets, setting priorities for its replacement and renovation based on needs, funding, alternatives, and availability of resources.
5. Debt: The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.
6. Investments: The Authority's cash will be invested in such a manner that ensures the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield.
7. Grants: The Authority shall seek, apply for, and effectively administer federal, state, and foundation grants that address the Authority's current priorities and policy objectives.
8. Closure Funding: The Authority shall properly fund all closure and post-closure costs in accordance with California Department of Resources Recycling and Recovery (CalRecycle) requirements.
9. Fiscal Monitoring: Authority staff shall prepare and present to the Board regular reports that analyze, evaluate, and forecast the Authority's financial performance and economic condition.

Salinas Valley Solid Waste Authority
Financial Policies

10. Accounting, Auditing and Financial Reporting: The Authority's accounting, auditing, and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.
11. Internal Controls: The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.
12. Operating Budget: The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.
13. Capital Assets: The Authority will capitalize all capital assets in accordance with Generally Accepted Accounting Principles to maintain proper control of all capital assets.

Salinas Valley Solid Waste Authority
Financial Policies

REVENUES

The Authority will maintain a revenue system that will assure a reliable, equitable, predictable revenue stream to support Authority services.

A. User Fees

The Authority shall establish and collect fees to recover the cost of handling specific items that benefit only specific users. The Authority Board shall determine the appropriate cost recovery level and establish the fees. Where feasible and desirable, the Authority shall seek to recover full direct and indirect costs. User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, compare them to the current fee structure, and to recommend adjustments where necessary.

B. Tipping Fees

Tipping fees shall be set at levels sufficient to cover operating expenditures, meet debt obligations, provide funding for ongoing capital improvements, and provide adequate levels of working capital. Tipping Fees are not expected to cover depreciation or depletion.

C. One Time Revenues

One-time revenues shall be used only for one-time expenditures.

D. Revenue Estimates

The Authority shall use a conservative, objective, and analytical approach when preparing revenue estimates. The process shall include analysis of probable economic changes and their impacts on revenues, historical collection rates, and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year and thus avoid mid-year service reductions.

E. Revenue Collection and Administration

The Authority shall pursue to the full extent allowed by state law all delinquent ratepayers and overdue payments to the Authority. Since revenue should not exceed the cost of producing it, the Authority shall strive to control and reduce administrative collection costs.

Salinas Valley Solid Waste Authority
Financial Policies

EXPENDITURES

The Authority shall assure fiscal stability and the effective and efficient delivery of services, through the identification of necessary services, establishment of appropriate service levels, and careful administration of the expenditure of available resources.

A. Current Funding Basis

The Authority shall operate on a current funding basis. Expenditures shall be budgeted and controlled to not exceed current revenues.

B. Avoidance of Operating Deficits

The Authority shall take immediate corrective actions if at any time during the fiscal year expenditure and revenue estimates are such that an operating deficit (i.e., projected expenditures in excess of projected revenues) is projected at year-end. Corrective actions can include a hiring freeze, expenditure reductions, fee increases, or use of fund balance within the Fund Balance/Reserves Policy. Expenditure deferrals into the following fiscal year, short-term loans, or use of one-time revenue sources shall be avoided to balance the budget.

C. Maintenance of Capital Assets

Within the resources available each fiscal year, the Authority shall maintain capital assets and infrastructure at a sufficient level to protect the Authority's investment, to minimize future replacement and maintenance costs, and to continue current service levels.

D. Periodic Program Reviews

The General Manager shall undertake periodic staff and third-party reviews of Authority programs for both efficiency and effectiveness. Privatization and contracting with other governmental agencies will be evaluated as alternative approaches for service delivery. Programs which are determined to be inefficient and/or ineffective shall be reduced in scope or eliminated.

E. Purchasing

The Authority shall make every effort to maximize any discounts offered by creditors/vendors. Staff shall use competitive bidding whenever possible to attain the best possible price on goods and services.

Salinas Valley Solid Waste Authority
Financial Policies

FUND BALANCE/RESERVES

The Authority shall maintain a fund balance at a level sufficient to protect the Authority's creditworthiness as well as its financial position from unforeseeable emergencies.

A. Funding the Reserves

After completion of the annual audit, any undesignated cash balance will be first used to pay down any Unfunded Actuarial Liability to the CalPERS retirement accounts. Remaining funds shall be allocated to reserves using the following methodology:

1. Operating Reserve (20%)
2. Capital Projects Reserve (60%)
3. Environmental Impairment Reserve (20%)

Any allocation outside of the prescribed methodology or transfers between reserves must be approved by the Board.

B. Operating Reserve

The Authority shall strive to maintain an Operating Reserve equal to fifteen percent (15%) of the current year's operating expenditure budget in order to provide sufficient reserves for unforeseen occurrences and revenue shortfalls. Operating expenditures, for reserve purposes, is defined as the total budget less capital project expenditures.

❖ Use of Operating Reserve

The Operating Reserve shall be used only for its designated purpose: Emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year revenues. Should such use reduce the balance below the appropriate level set as the objective, restoration recommendations will accompany the decision to utilize said reserve.

C. Capital Projects Reserve

Due to the capital-intensive nature of the Authority's landfill operations the Authority will develop a Capital Projects Reserve for the purpose of funding future capital projects and replacement of existing capital infrastructure in accordance with the Capital Improvements Financial Policies. The target amount of the reserve will be based on the average annual capital needs of the Authority.

Salinas Valley Solid Waste Authority
Financial Policies

D. Environmental Impairment Reserve

Due to the potential release of contaminants that exists with all Municipal Solid Waste landfills, the Authority will fund an Environmental Impairment Reserve for the purpose of responding to a release in a timely manner. The funds can also be used for mitigation or corrective action measures required by CalRecycle. It is highly unlikely that all sites would need corrective action at the same time. Therefore, the funding goal is the Capital Improvement costs at the highest of the sites.

E. Annual Review of Reserves

As part of the annual budget process, the Authority will review the target amount and the status of each of the reserves. This will be considered as part of the budget development. The goal is to reach the Operating and Environmental Impairment Reserve amounts within a five-year period but in no case later than 10 years.

CAPITAL EXPENDITURES AND IMPROVEMENTS

The Authority shall annually review the state of its capital assets, setting priorities for their replacement and renovation based on needs, funding, alternatives, and availability of resources.

A. Capital Improvement Plan

The Authority shall prepare a 10-Year Capital Improvement Plan (CIP) which will detail the Authority's capital needs. The CIP plan will be reviewed every year while discussions of the operating budget take place. The CAO will develop guidelines for what projects to include in the CIP budget. All projects, ongoing and proposed, shall be prioritized based on an analysis of current needs and resource availability. For every capital project, all operation, maintenance, and replacement costs shall be fully disclosed. The CIP budget will be in conformance with and support the Authority's major planning documents and 3-year Strategic Plans.

B. Capital Improvement Budget

The CIP plan will be the basis for which projects will be included in the following year's budget. Appropriations will be approved annually using the following criteria:

1. The needs identified in the Authority's planning documents.
2. Cost/benefit analysis identifying all economic or financial impacts of the project.
3. Identification of available funding resources.

CIP funding will be based on the following priorities:

1. Projects that comply with regulatory requirements.
2. Projects that maintain health and safety standards.
3. Projects that maintain and preserve existing facilities.
4. Projects that replace existing facilities which can no longer be maintained.
5. Projects that improve operations.

C. Capital Expenditure Financing

Projects will be financed using the following preferred order:

1. Use of current revenues.
2. Use of the Capital Projects Reserve.
3. Borrow money through debt issuance.

Debt financing includes revenue bonds, certificates of obligation, lease/purchase agreements, and other obligations permitted to be issued or incurred under California law. Guidelines for assuming debt are set forth in the Debt Policy Statements.

Salinas Valley Solid Waste Authority
Financial Policies

D. Capital Projects Reserve Fund

A Capital Projects Reserve Fund shall be established and maintained to accumulate funds transferred from the undesignated fund balance. This fund shall only be used to pay for non-routine and one-time capital expenditures such as land and building purchases or construction and maintenance projects with a 10-year life. Expenditures from this Fund shall be aimed at protecting the health and safety of residents, employees, and the environment, and protecting the existing assets of the Authority.

E. Capital Projects Management

The Authority will fund and manage its capital projects in a phased approach. The project phases will become a framework for appropriate decision points and reporting. The phasing will consist of:

1. Conceptual/Schematic Proposal
2. Preliminary Design and Cost Estimate
3. Engineering and Final Design
4. Bid Administration
5. Acquisition/Construction
6. Project Closeout

Each project will have a project manager who will prepare the project proposal, ensure that required phases are completed on schedule, authorize all project expenditures, ensure that all regulations and laws are observed, periodically report project status and track project expenditures.

Salinas Valley Solid Waste Authority
Financial Policies

DEBT

The Authority shall utilize debt financing only to provide needed capital equipment and improvements while minimizing the impact of debt payments on current revenues.

A. Use of Debt Financing

The issuance of long-term debt will be only for the acquisition of land, capital improvements, or equipment.

Debt financing is not considered appropriate for current operations, maintenance expenses, or for any recurring purposes.

B. Conditions for Debt Issuance

The Authority may use long-term debt to finance major equipment acquisition or capital projects only if it is established through a cost/benefit analysis that the financial and community benefits of the financing exceed the financing costs. Benefits would include, but not be limited to, the following:

1. Present value benefit: The current cost plus the financing cost is less than the future cost of the project.
2. Maintenance value benefit: The financing cost is less than the maintenance cost of deferring the project.
3. Equity benefit: Financing provides a method of spreading the cost of a facility back to the users of the facility over time.
4. Community benefit: Debt financing of the project enables the Authority to meet an immediate community need.

Debt financing will be used only when project revenues or other identified revenue sources are sufficient to service the debt.

C. Debt Structure

The Authority's preference is to issue fixed-rate, long-term debt with level debt service, but variable rate debt or other debt service structure may be considered if an economic advantage is identified for a particular project.

Bond proceeds, for debt service, will be held by an independent bank acting as trustee or paying agent.

The Authority's minimum bond rating objective for all debt issues is a Moody's and Standard & Poor's rating of A (upper medium grade). Credit enhancements will be used to achieve higher ratings when there is an economic benefit.

Salinas Valley Solid Waste Authority
Financial Policies

The Authority may retain the following contract advisors for the issuance of debt:

1. Financial Advisor - To be selected, when appropriate, by negotiation to provide financial analysis and advice related to the feasibility and structure of the proposed debt.
2. Bond Counsel - To be selected by negotiation for each debt issue.
3. Underwriters - To be selected by negotiation or competitive bid for each bond issue based upon the proposed structure for each issue.

D. Call Provisions

Call provisions for bond issues shall be made as short as possible consistent with the lowest interest cost to the Authority. When possible, all bonds shall be callable only at par.

E. Debt Refunding

Authority staff and the financial advisor shall monitor the municipal bond market for opportunities to obtain interest savings by refunding outstanding debt. As a general rule, the present value savings of a particular refunding should exceed 3.5% of the refunded maturities.

F. Interest Earnings

Interest earnings received on the investment of bond proceeds shall be used to assist in paying the interest due on bond issues, to the extent permitted by law.

G. Lease/Purchase Agreements

Over the lifetime of a lease, the total cost to the Authority will generally be higher than purchasing the asset outright. As a result, the use of lease/purchase agreements and certificates of participation in the acquisition of vehicles, equipment and other capital assets shall generally be avoided, particularly if smaller quantities of the capital asset(s) can be purchased on a "pay-as-you-go" basis.

H. Post Issuance Administration / Internal Control

❖ Investment of Proceeds

The proceeds of bond sales will be invested until used for the intended project(s) to maximize utilization of the public funds. The investments will be made to obtain the highest level of 1) safety, 2) liquidity, and 3) yield, and may be held as cash. The Authority's investment guidelines and bond indentures will govern objectives and criteria for investment of bond proceeds. The Finance and Administration Manager will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.

Salinas Valley Solid Waste Authority
Financial Policies

❖ Use of Proceeds

Bond proceeds will be deposited and recorded in separate accounts to ensure that funds are not comingled with other Authority funds. To ensure proceeds from bond sales are used in accordance with legal requirements, all invoices will be submitted to the Finance and Administration Manager for approval prior to payment. The Finance and Administration Manager will be tasked with monitoring the expenditure of bond proceeds to ensure that they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the Authority will meet one of the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be demonstrated that 85% of the proceeds can reasonably be expected to be expended within the three-year temporary period.

❖ Arbitrage Compliance

The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The Finance and Administration Manager shall ensure that all bond proceeds and investments are tracked in a manner which facilitates accurate calculation; and, if a rebate payment is due, such payment is made in a timely manner.

Salinas Valley Solid Waste Authority
Financial Policies

INVESTMENTS

The Authority's cash will be invested in such a manner to ensure the absolute safety of principal and interest, meet the liquidity needs of the Authority, and achieve the highest possible yield after meeting the first two requirements.

A. Investment Policy

The Authority Treasurer is both authorized and required to promulgate a written Statement of Investment Policy which shall be presented to the Board annually.

B. Interest Earnings

Interest earned from investments shall be distributed to the operating funds from which the money was provided, with the exception that interest earnings received on the investment of bond proceeds shall be attributed and allocated to those debt service funds responsible for paying the principal and interest due on the bond issue.

Salinas Valley Solid Waste Authority
Financial Policies

GRANTS

The Authority shall seek, apply for, and effectively administer federal, state and foundation grants-in-aid that address the Authority's current priorities and policy objectives.

A. Grant Guidelines

The Authority shall apply, and facilitate the application for others, only for grants that are consistent with the objectives and high priority needs previously identified by the Board. The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.

B. Indirect Costs

The Authority shall recover full indirect costs unless the funding agency does not permit it. The Authority may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.

C. Grant Review

All grant submittals shall be reviewed for their cash match requirements, their potential impact on the operating budget, and the extent to which they meet the Authority's policy objectives. Departments shall seek Board approval prior to submission of a grant application. Should time constraints under the grant program make this impossible, the department shall obtain approval to submit an application from the CAO and then, at the earliest feasible time, seek formal Board approval. If there are cash match requirements, the source of funding shall be identified prior to application. An annual report on the status of grant programs and their effectiveness shall also be prepared.

D. Grant Program Termination

The Authority shall terminate grant-funded programs and associated positions when grant funds are no longer available unless alternate funding is identified.

CLOSURE AND POST-CLOSURE FUNDING

The Authority shall properly fund all closure and post closure costs in accordance with CalRecycle requirements.

A. Closure Funding

In accordance with CalRecycle requirements, the Authority shall annually set aside sufficient funds to fully fund all accrued closure costs liability. These funds will be held in a separate Closure Fund restricted specifically for this purpose.

B. Post-Closure Funding

Johnson Canyon Landfill is the Authority's last regional landfill. To ensure that there is adequate funding for post-closure maintenance of the landfill for the minimum required 30 years, the Authority shall ensure that the post-closure liability is fully funded annually. The required funding shall be the currently filled capacity percentage times the CalRecycle approved post-closure estimate. These funds will be held in a separate Post-Closure Fund restricted specifically for this purpose.

In accordance with Financial Assurances, the Authority shall fund post closure costs for the three currently closed sites from future revenues when those costs are incurred. The Authority has entered into a Pledge of Revenue agreement with CalRecycle for this purpose.

C. Closure and Post-Closure Funding Calculations

The Authority shall, as part of the budget process, annually recalculate the closure and post-closure costs on a per ton basis. Funds will be transferred monthly to the appropriate fund based on tonnage landfilled. Post-closure expense incurred due to the current fiscal year solid waste disposal will be recorded as an expense on the Authority's financial statements with a corresponding liability.

Salinas Valley Solid Waste Authority
Financial Policies

FISCAL MONITORING

Authority staff shall prepare and present to the Board regular reports that analyze, evaluate, and forecast the Authority's financial performance and economic condition.

A. Financial Status and Performance Reports

Monthly reports comparing expenditures and revenues to current budget, noting the status of fund balances, and outlining any remedial actions necessary to maintain the Authority's financial position shall be prepared for review by the Board.

B. Five-year Forecast of Revenues and Expenditures

A five-year forecast of revenues and expenditures, to include a discussion of major trends affecting the Authority's financial position, shall be included during the budget process. The forecast shall also examine critical issues facing the Authority, economic conditions, and the outlook for the upcoming budget year. The document shall provide insight into the Authority's financial position and alert the Board to potential problem areas requiring attention.

C. Status Report on Capital Projects

A summary report on capital projects completed and the status of the Authority's various capital projects will be prepared as part of the monthly financial report and presented to the Board.

D. Compliance with Board Policy Statements

The Financial Policies will be reviewed annually and updated, revised, or refined as deemed necessary. Policy statements adopted by the Board are guidelines, and occasionally, exceptions may be appropriate and required. However, exceptions to stated policies will be specifically identified, and the need for the exception will be documented and fully explained.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING

The Authority's accounting, auditing and financial reporting shall comply with prevailing local, state, and federal regulations, as well as current professional principles and practices as promulgated by authoritative bodies.

A. Conformance to Accounting Principles

The Authority's accounting practices, and financial reporting shall conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA).

B. Popular Reporting

In addition to issuing an annual comprehensive financial report (ACFR) in conformity with GAAP, the Authority shall supplement its ACFR with a simpler, "popular" report designed to assist those residents who need or desire a less detailed overview of the Authority's financial activities. This report should be issued no later than six months after the close of the fiscal year.

INTERNAL CONTROLS

The Authority shall establish and maintain an internal control structure designed to provide reasonable assurance that Authority assets are safeguarded and that the possibilities for material errors in the Authority's financial records are minimized.

A. Proper Authorizations

Procedures shall be designed, implemented, and maintained to ensure that financial transactions and activities are properly reviewed and authorized.

B. Separation of Duties

Job duties will be adequately separated to reduce, to an acceptable level, the opportunities for any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of assigned duties.

C. Proper Recording

Procedures shall be developed and maintained that will ensure financial transactions and events are properly recorded and that all financial reports may be relied upon as accurate, complete, and up to date.

D. Access to Assets and Records

Procedures shall be designed and maintained to ensure that adequate safeguards exist with the access to and use of financial assets and records.

E. Independent Checks

Independent checks and audits will be made on staff performance to ensure compliance with established procedures and proper valuation of recorded amounts.

F. Costs and Benefits

Internal control systems and procedures must have an apparent benefit in terms of reducing and/or preventing losses. The cost of implementing and maintaining any control system should be evaluated against the expected benefits to be derived from that system.

Salinas Valley Solid Waste Authority
Financial Policies

OPERATING BUDGET

The Authority's operating budget will implement the policy decisions of the Board. It will provide a clear picture of the Authority's resources and their use.

A. Budget Format

The budget shall provide a complete financial plan of all Authority funds and activities for the ensuing fiscal year and shall be in such form as the Chief Administrative Officer deems desirable or that the Board may require.

The budget shall begin with a clear general summary of its contents. It shall show in detail all estimated revenues, all carryover fund balances and reserves, and all proposed expenditures, including debt service, for the ensuing fiscal year.

The total of proposed expenditures shall not exceed the total of estimated revenues plus the unappropriated fund balance, exclusive of reserves, for any fund.

The budget will be organized on a program/service level format.

The budget development process will include the identification and evaluation of policy options for increasing and decreasing service levels.

B. Estimated Revenues

The Authority will annually update its revenue forecast to enhance the budgetary decision-making process.

In its budget projections, the Authority will attempt to match current expenses to current revenues. If it becomes apparent that revenue shortfalls will create a deficit, efforts will be made first to reduce the deficiency through budgetary reductions.

If appropriate reductions are insufficient, the Board may decide, on an exception basis, to use an appropriate existing reserve.

C. Appropriations

In evaluating the level of appropriations for program enhancements, or reductions, the Authority will apply the following principles in the priority order given:

1. Essential services, which provide for the health and safety of residents, will be funded to maintain current dollar levels.
2. The budget will provide for adequate ongoing maintenance of facilities and equipment.

Salinas Valley Solid Waste Authority
Financial Policies

3. Appropriations for program enhancements or reductions will be evaluated on a case-by-case basis rather than across the board.
4. When reductions in personnel are necessary to reduce expenditures, they shall be consistent with the Authority Board's established service level priorities and, when possible, shall be accomplished through normal attrition.
5. Programs, which are self-supported by special revenues or fees, shall be separately evaluated.

Prior to the Authority Board making any supplemental appropriation, the CAO or Finance and Administration Manager shall certify that funds in excess of those estimated in the budget are available for appropriation. Any such supplemental appropriations shall be made for the fiscal year by Board action up to the amount of any excess.

Appropriations may be reduced at any time during the fiscal year by the Authority Board upon recommendation of the CAO. When appropriation reductions are recommended, the CAO shall provide specific recommendations to the Board, indicating the estimated amount of the reduction, any remedial actions taken, and recommendations as to any other steps to be taken.

The CAO may transfer appropriations between divisions, and division managers may transfer appropriations between programs and accounts within their individual divisions, but only the Board by resolution may appropriate funds from reserves or fund balances.

Appropriations for capital improvement programs, post-closure, and grants shall continue in force until expended, revised, or cancelled. All other appropriations shall lapse at the end of the fiscal year to the extent that they have not been expended.

The Authority will endeavor to budget a contingency account in the operating budgets equal to one percent of the total Operating Budget to meet changing operational requirements during the fiscal year.

Salinas Valley Solid Waste Authority
Financial Policies

CAPITAL ASSETS

The Authority will capitalize all assets in accordance with Generally Accepted Accounting Principles to maintain proper control of all assets.

- A. Overview – The Finance Division will maintain an asset management system that will meet external financial reporting requirements and the needs of the Authority in line with these policies.
1. Capital assets are recorded as expenditures in governmental funds at the time the assets are received, and the liability is incurred. These assets will be capitalized at cost on the government wide financial statements. Enterprise fixed assets are recorded as assets within the fund when purchased and a liability is incurred.
 - I. GASB 34 defines Capital Assets as land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period.
 - II. GASB 34 defines Infrastructure Assets as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings that are an ancillary part of a network of infrastructure assets are included.

The Authority uses the most current edition of GOVERNMENTAL ACCOUNTING, AUDITING, AND FINANCIAL REPORTING (GAAFR) published by the Government Finance Officers Association (GFOA) as its authoritative guide in setting policy and establishing accounting procedures regarding capital assets.

- B. Capitalization
Generally, all capital assets with an original cost of \$15,000 or more will be capitalized (recorded as an asset on the balance sheet versus expensing the item). This capitalization policy addresses financial reporting, not control. The Authority follows the GFOA recommended practices for establishing capitalization thresholds. Specific capitalization requirements are described as follows:

Salinas Valley Solid Waste Authority
Financial Policies

1. The asset must cost \$15,000 or more.
2. The asset must have a useful life of more than one year.
3. The capitalization threshold is applied to individual units of capital assets rather than groups. For example, ten items purchased for \$10,000 each will not be capitalized even though the total (\$100,000) exceeds the threshold of \$15,000.
4. For purposes of capitalization, the threshold will generally not be applied to components of capital assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single asset. The capitalization threshold will be applied to a network if all component parts are required to make the asset functional.
5. Repairs to existing capital assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case the repair represents an improvement and is subject to the requirements described in number six below.
6. Improvements to existing capital assets that extend the useful life of the related capital asset will be subject to capitalization if the cost exceeds \$15,000.
7. Capital projects will be capitalized as "construction in progress" until completed. Personal computers will not be capitalized:

C. Leased Assets

GASB 87 requires that all leases are reported as a capital or financing lease unless the lease is a short-term lease, characterized as 12 months or less. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

Leases will be capitalized if both of the following criteria are met:

1. The non-cancellable portion of the lease is more than 12 months
2. The total amount of the lease meets the capitalization threshold of \$15,000

At the commencement of the lease term, a lease will be recorded as both a lease liability at the present value of payments expected to be made during the lease term, and a lease asset measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

Salinas Valley Solid Waste Authority
Financial Policies

D. Capital Asset Recording

It is the responsibility of the Finance Division to record, monitor and inventory all fixed assets. Each division will assign appropriate staff members to respond to verification, inventories, and filling out the necessary forms for recording transfers, dispositions, or retired fixed assets.

E. Acquisition of Capital Asset

Fixed assets may be acquired through direct purchase, lease-purchase or capital lease, construction, eminent domain, donations, and gifts. When a capital asset is acquired, the funding source will be identified. If funds are provided by a specific funding source, a record will be made of that specific source such as:

- ❖ Bond Proceeds
- ❖ State Grants

F. Measuring the Cost and/or Value

Capital assets are recorded at their "historical cost," which is the original cost of the assets. Donations accepted by the Authority will be valued at the fair market value at the time of donation. Costs include purchase price (less discounts) and any other reasonable and necessary costs incurred to place the asset in its intended location and prepare it for service. Costs could include the following:

- ❖ Sales Tax
- ❖ Freight charges
- ❖ Legal and title fees
- ❖ Closing costs
- ❖ Appraisal and negotiation fees
- ❖ Surveying fees
- ❖ Land-preparation costs
- ❖ Demolition costs
- ❖ Relocation costs
- ❖ Architect and accounting fees
- ❖ Insurance premiums and interest costs during construction

G. Establishing Cost in the Absence of Historical Records

According to GASB 34, an estimate of the original cost is allowable. Standard costing is one method of estimating historical cost using a known average installed cost for a like unit at the estimated date of acquisition. Another recognized method is normal costing wherein an estimate of historical cost is based on current cost of reproduction new indexed by a reciprocal factor of the price increase of a specific item or classification from the appraisal date to the estimated date acquired. When necessary, the Authority will use whichever method gives the most reasonable amount based on available information.

Salinas Valley Solid Waste Authority
Financial Policies

H. Recording Costs Incurred After Acquisition

Expenditures/expenses for replacing a component part of an asset are not capitalized. However, expenditures/expenses that either enhance a capital asset's functionality (effectiveness or efficiency), or that extend a capital asset's expected useful life are capitalized. For example, periodically slurry sealing a street would be treated as a repair (the cost would not be capitalized), while an overlay or reconstruction would be capitalized. Adding a new lane constitutes an addition and would therefore also be capitalized.

I. Disposition or Retirement of Fixed Assets

Assets with an estimated remaining value of \$15,000 or more will be scheduled for Board approval prior to disposal. The asset will be disposed of in a way to achieve the highest recovery possible while ensuring that the cost of disposal is minimized. The recovered funds will be allocated to the Capital Improvement Project used to replace the asset. Once disposed, the original cost less depreciation will then be removed from the Authority's capital asset management system.

J. Transfer of Assets

The transfer of fixed assets between divisions requires notification to the Finance Department.

K. Depreciation

In accordance with GASB Statement No. 34 the Authority will record depreciation expense on all capital assets, except for inexhaustible assets.

The Authority will use straight-line depreciation using the half-year convention or mid-month as appropriate. Depreciation will be calculated over the estimated useful life of the asset.

L. Recommended Lives

The Authority follows GFOA Recommended Practices when establishing recommended lives for capitalized assets. In accordance with GASB 34 the Authority will rely on "general guidelines obtained from professional or industry organizations." The Authority will rely on estimated useful lives published by GFOA. If the life of a particular asset is estimated to be different than these guidelines, it may be changed. The following is a summary for the estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	20 to 50 years
Improvements	15 to 45 years
Infrastructure	20 to 50 years
Equipment and Machinery	5 to 20 years

Salinas Valley Solid Waste Authority
Financial Policies

M. Control of Assets

In accordance with GFOA Recommended Practice the Authority will exercise control over the non-capitalized tangible capital-type items by establishing and maintaining adequate control procedures at the division level. The Authority's capitalization threshold of \$15,000 meets financial reporting needs and is not designed for nor particularly suited to maintain control over lower cost capital assets. It is the responsibility of each division to maintain inventories of lower-cost capital assets to ensure adequate control and safekeeping of these assets.

N. Maintenance Schedules

The Authority shall develop and implement maintenance and replacement schedules with a goal of maximizing the useful life of all assets. The schedules shall include estimates of annual maintenance and/or replacement funding required for each asset.

O. Maintenance Funding

The Authority shall identify specific sources of funds for the annual maintenance or replacement of each asset. Whenever possible, the maintenance or replacement funding shall be identified from a source other than the Authority General Fund. The Authority shall endeavor to set aside, on an annual basis, one and one-half percent (1½%) of its Operating Budget to provide for on-going maintenance and required replacement of assets that cannot be reasonably funded from other sources.

P. Inventorying

The Authority will follow the GFOA recommended practice of performing a physical inventory of its capitalized capital assets, either simultaneously or on a rotating basis, so that all capital assets are physically accounted for at least once every five years.

Q. Tagging

The Authority will tag only moveable equipment with a value of \$15,000 or higher. Rolling stock items will not be tagged. They will be identified by the VIN number. The Finance department will be responsible for tagging equipment.

SVR Agenda Item - View Ahead 2024

ITEM NO. 5

	May	June	Jul	Aug	Sep	Oct
A						
1	Minutes	Minutes	MEETINGS RECESS	Minutes	Minutes	Minutes
2	Claims/Financials (EC)	Claims/Financials (EC)		May Claims/Financials (EC)	Claims/Financials (EC)	Claims/Financials (EC)
3	Member Agencies Activities Report	Member Agencies Activities Report		June Claims/Financials (EC)	Member Agencies Activities Report	Member Agencies Activities Report
4	1st Qtr. Tonnage & Diversion Report	CCPP Supplemental Appropriation		June 30 Cash & Investments Report (EC)	FY 2023-24 AB 939 Program Wrap Up / All Things AB 939	
5	FY Investment Policy (EC)	Landfill Overview		Member Agencies Activities Report		
6	Financial Policy (EC)	Strategic Planning Mid-Year Review		2nd Qtr. Tonnage & Diversion Report		
7	Agreement w/Geo-Logic Associates for Groundwater Monitoring Services					
8	Blue Strike Environmental Agreement Amendment					
9	Agreement w/Social Vocational Services					
10	Agreement w/Hope Services, Inc.					
11	SGA Marketing Agreement Amendment					
12	Recycling Recognition					
13	Youth Council Presentation					
14	Legislative Update					
15	<i>Real Property Negotiations (EC)</i>					

Consent
Presentation
Consideration
<i>Closed Session</i>

[Other] (Public Hearing, Recognition, Informational, etc.)
 (EC) Executive Committee
 (sp) Strategic Plan Item